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GOVERNANCE IN HIGHER EDUCATION: A COMPARATIVE STUDY OF ENGLISH AND SCOTTISH UNIVERSITY GOVERNING BODIES

BY

GUAGHA MICKY BEREZI

A DISSERTATION SUBMITTED TO THE UNIVERSITY OF BRISTOL IN ACCORDANCE WITH THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN THE GRADUATE SCHOOL OF EDUCATION, FACULTY OF SOCIAL SCIENCES.

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ABSTRACT

This study explores the governance of higher education institutions in two UK countries, England and Scotland, focusing on the perceptions of lay university governors and their accounts of governance practices as well as observation of some of the activities of university governing bodies. Particular attention is paid to the process of corporatisation of university governance within the context of a series of higher education reforms starting from the 1985 Jarratt Report. The thesis specifically examined the motivations of governors for participating in governance, their engagement in strategic planning and risk assessments, their views on their accountability and the extent to which governing bodies review their effectiveness. The empirical analysis is based on comparative multi-site case studies of seven university governing bodies in England and Scotland (in both Pre-1992 and Post-1992 institutions) and also involved 27 university governors, two thirds of whom were lay governors including chairs of governors. The theoretical framework for the study is based on corporate organisational governance theories. The research involved the use of semi-structured interviews, observation of meetings of governing bodies and documentary analysis.

The business or private sector professional background and corporate governance experience of the chairs and other lay governors in the study appear to have enabled them to engage with and help to embed new corporate governance practices proposed by recent higher education governance reforms. The majority of university governors and five of the governing bodies were found to be proactively engaged in determining the strategic direction of their institutions in collaboration with the executive and academics. All the seven governing bodies were found to be risk-averse, rejecting the taking of the kinds of risks that those from a business background might habitually take in their own work context. The university governing bodies were found to be accountable only in the loosest sense but they did try to enforce and ensure the accountability of the executive and the academics concerning the accomplishment of the strategic activities of the universities. Although the seven university governing bodies adopted a common governance framework, they exhibited a number of local differences in certain areas of governance practices as a result of contextual characteristics and there were also some differences between the Scottish and English universities.

DEDICATION

This piece of research is dedicated to the loving memory of my late father, Pa. Joshua Oudeley Berezi.

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I wish to express my sincere appreciation to Professor John Cecil Buseri (the first Vice Chancellor of Niger Delta University, Wilberforce Island, Bayelsa State, Nigeria) for believing in me and giving me this rare opportunity to undertake this research in the UK.

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I owe many thanks to my Lecturers and colleagues in the Graduate School of Education for giving me both academic and moral support throughout the duration of my studies.

I wish to express a special gratitude and appreciation to my beloved wife, Jenny and children for their prayers, support and encouragement all through the years of my study in the UK.

Above all, I give God the glory for His divine favour.

AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the Regulations of the University of Bristol. The work is original except where indicated by special reference in the text, and no part of the dissertation has been submitted for any other degree.

The views expressed in the dissertation are those of the author and in no way represent those of the University of Bristol.

The dissertation has not been presented to any other University for examination in the United Kingdom or overseas.

Signed.....

Date.....09 – 07 – 08.....

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CHAPTER ONE

INTRODUCTION TO THE STUDY

1.0.0 Introduction

This study examines aspects of higher education governance in two UK countries of England and Scotland. Starting from the mid-1980s, corporate governance was proposed for adoption by universities in the UK by various higher education reform reports as the most appropriate governance model that would enable UK higher education institutions cope with pressures imposed on it by a globalised world. The collegial model of governance has been perceived by government to be most inadequate in overcoming these challenges (Bargh et al, 1996; Berdahl, 1990; Shattock, 1999). Some relevant higher education governance reform reports are those of Jarratt (1985), Dearing (1997) and Lambert (2003) as well as the Education Reform Act 1988 and Further and Higher Education Act 1992 and the Committee of University Chairmen (CUC) code of governance practice frameworks of 1995, 2000, and 2004. These reports and legislations recommended the restructuring of university governing bodies with the subsequent appointment of lay persons mostly from business and industry into these bodies in order to institute corporate governance and management practices of the private sector in universities. It is within this changed scenario that university governing bodies are expected to exhibit effective leadership in controlling and directing the affairs of their institutions which are currently facing numerous challenges and uncertainties from their external environment. My study is a comparative study of the perceptions of the governance roles and practices of university governors in seven university governing

bodies in England and Scotland in meeting the challenges and pressures placed on these institutions.

My interest in governance research arose from the few months I served as a council officer in a Nigerian university within which period I observed strong disagreements between the governing body and the vice chancellor concerning their perceptions and conceptualisations of governance and management roles in the institution. This created a lot of tension and conflict between the chair of council and the vice chancellor as the latter would always accuse the former of encroaching on his managerial duties. I had also experienced a glimpse of this problem in a degree-awarding college of education where I worked as an administrator. In my capacity as council officer and as a senior university administrator, I took a closer look at the charter and statutes of the university and those of other institutions as well as the framework document "A Manual on University Management" issued by the National University Commission (which is a supervisory body for all Nigerian universities) in 1997 in a search for ways to resolve this conflict by attempting to clarify the boundary between governance and management. In these documents, I discovered a lot of ambiguities surrounding the role and power of the governing councils in Nigerian universities, despite the fact that the external lay members of council are appointed by the Visitor to the institutions, which usually is the President of the country in the case of federal universities and Governors of the states in the case of state-owned higher education institutions. Even the accountability relationship between the vice chancellor and the governing body was not clear-cut and was subject to different interpretations by various actors in the higher education system. The source of the conflict between the chair of council and the vice chancellor of my university was

identified to be a lack of clarity between the governance role of the university governing body and the management role of the vice chancellor as well as the accountability relationship between them. It is important to mention that the system of university governance and management in Nigerian universities can be described as collegial because of the emphasis placed on greater participation of academics in institutional decision-making at the various levels of institutional governance and management.

I turned to the literature of organisational management in search for ideas about modes of governance and also discovered that grey areas exist between governance and many management roles in organisations. It was the need to resolve this conflict-generating problem that aroused my initial interest in studying the governance activities of university governing bodies in the UK. I discussed my research interest with the vice chancellor of my home university and he offered me a scholarship to proceed to the University of Bristol to study the university governance system in the UK focusing on the activities of university governing bodies.

On arrival in Bristol, I discovered higher education governance in the UK had been undergoing a series of government-initiated reforms starting from 1985 with at least three reports and two Acts of Parliament making recommendations and legislations that attempt to change the collegial style of governance and management of the universities to a more corporate approach to governance prevalent in business corporations in the private sector of the economy. However, I observed that the Post-1992 universities that were former polytechnics in England and the former higher education institutions in Scotland were never very collegial in their style of governance. There were also some recent governance developments in the corporate world of the private sector aimed at improving

the approach to governance of large business firms and the modernisation of public institutions programme of the UK government referred to as "Modernising Government" that have implications for the governance transformation taking place in the universities. The university governing bodies were being encouraged to restructure their governance structures and processes and with their powers enhanced they were asked to adopt and institutionalise a new corporate governance culture in their respective institutions (Bargh, Scott and Smith, 1996) in order to cope with the challenges imposed on them by the demands of their external environment and the UK government. These higher education governance reform initiatives created a further area of interest for me to explore in order to determine the response of university governing bodies to them and their possible effects on the governance and management of the institutions.

As I searched the literature on organisational governance further, I discovered that the concept of institutional governance is ambiguous in itself, which makes it a contentious, contested and constructed phenomenon as well as riddled with conflict of interests among various actors at different levels of the higher education sector. I also observed that university governance in the UK is under-researched despite the series of governance reforms and the resultant shift in governance culture that have enveloped the system. The only notable and comprehensive research conducted in this area was by Bargh, Scott and Smith in 1996 and since then no other significant empirical studies have emerged. This noticeable gap in the literature of university governance in the UK became a source of interest to me and an aspect to explore further empirically.

1.1.0 Purpose of the Research

The governance of higher education in the UK is being reformed to enable universities to cope with the challenges imposed on them by the forces of globalisation and internationalisation on one hand and the expansion of the university system, from elite to mass higher education by government with the accompanying reduction in the funding of universities, on the other. The higher education governance reforms were also intended to refocus the universities to respond positively to the increased demand for new knowledge, skills and technology in the UK economy and society. In the higher education governance reforms, university governors and their governing bodies were perceived by government as change agents (Bargh et al, 1996) and were to be held accountable as in school governing bodies (Deem et al, 1995; Poulson, 1998; Farrell and Law, 1999) for changing the governance and management culture of universities and the performance of the institutions.

The purpose of this research is to examine in great depth how members of governing bodies in seven English and Scottish universities perceive, understand and play their governance roles and responsibilities, whether they are cognisant of the parameters of corporate governance and how they organise their governance activities to achieve the strategic purposes of the universities within the context of the UK higher education governance reforms.

The present study also investigates the effect of a devolved UK higher education system on the governance roles and practices of governing bodies in English and Scottish universities. A comparative analysis of the governance roles and practices between English and Scottish universities become expedient since different regional bodies within

the UK now regulate the higher education institutions within their areas of political jurisdiction as a result of devolution of powers to the UK countries on 1st July 1999. But it is important to mention that education in Scotland had been devolved long before political devolution in 1999.

The study also attempts to examine the perceptions of university governors, in both Pre-1992 and Post-1992 institutions, of the consequences of UK higher education governance reforms on the governance practices of their university governing bodies.

The study adopted a comparative multiple case study approach to determine the extent to which the university governing bodies in English and Scottish as well as in Pre-1992 and Post-1992 institutions converge and diverge in their approach to university governance.

1.2.0 Significance of the Research

The study would be of immense interest to higher education policy makers, university governing bodies and researchers in the area of higher education governance because it is intended to possibly inform policy and improve the understanding and practice of institutional governance by university governing bodies in the UK

In view of the under-researched nature of the activities of university governing bodies, this study attempts to contribute to knowledge in the area of university governance by filling the identified gap in the empirical literature on higher education governance in the UK. The findings of this study could be also be used as one basis for fostering co-operation between institutional governing bodies of English and Scottish universities by highlighting areas of good governance practices that can be shared between the institutions.

1.3.0 Research Questions

The following research questions were formulated to empirically investigate the purpose of the study.

- **RQ1:** What are the background characteristics and perceived motivation of university governors in seven case study governing bodies in England and Scotland for participating in institutional governance and their mode of recruitment?
- **RQ2:** How do members of these seven governing bodies perceive and understand their governance roles and practices in English and Scottish universities and how have they been able to separate their governance roles from those of management?
- **RQ3:** How do members of these seven governing bodies discuss the performance of their governance tasks and how do these governing bodies actually operate?
- **RQ4:** In what ways do members of the seven governing bodies claim to assess effectiveness of their governance practices and performance?

1.4.0 Organisation of the Research

This dissertation is organised into ten chapters as follows:

Chapter one describes my interest in the study, the aim of the study, the significance of the study and the research questions.

Chapter two is the background to the study that provides the wider higher education policy and governance context in which this study is taking place.

Chapter three discusses the concept of corporate governance and the corporate organisational governance theories that serve as the framework for this study.

Chapter four discusses some of the governance processes and practices of university governing bodies.

Chapter five discusses the methodological issues of this study and provides the philosophical paradigm, research strategy, method of data analysis and some validity ethical issues of the research.

Chapter six describes the characteristics of the case study governing bodies and their institutions. It serves as the prelude to the three empirical chapters of the thesis.

Chapter seven provides the empirical findings on the background characteristics and motivation for participation in governance of the university governors, how they are recruited as well as their perceived governance roles and practices.

Chapter eight presents the findings on the perceptions and participation of university governors in some governance activities of their universities.

Chapter nine provides empirical findings on the university governors' account of accountability and performance review of their governing bodies.

Chapter ten presents a discussion and conclusions from the findings and areas for further research.

CHAPTER TW0

BACKGROUND TO THE STUDY OF HIGHER EDUCATION GOVERNANCE IN THE UK

2.0.0 Introduction

In this chapter, I present some issues in higher education that have implications for the governance of universities in the UK and which provide the context within which this study is situated. In this chapter, I discuss some contemporary issues in higher education that are of interest to the UK government and which occupy a significant amount of the time of universities and academics. I briefly traced the history of lay participation in university governance as well as the various higher education governance reforms that have been taking place in the UK from the mid-1980s. I also present the UK higher education policy and the country and institutional contexts in which this study on university governance is taking place and how variation in contexts could affect governance practices.

2.1.0 Contemporary Issues in Higher Education in UK

This review is intended to highlight some of the issues that have engaged the attention of UK universities in recent times and that have also put some pressures on the institutions and challenged their governance and management arrangements. Although the review below is not exhaustive, it represents some key issues that the UK government and the higher education funding councils are concerned with and which have implications for university governance.

1. Third Mission Activities of UK Universities

In 2004, the UK government formulated a science and innovation policy under the "Science and Innovation Investment Framework 2004 – 2014" aimed at converting scientific and technological discoveries of the country into products and services that will contribute to the improvement and development of the British economy and society. UK universities have been encouraged to lead this policy goal of the government through their increased interaction with public institutions, local and business communities as well as with the small, medium and large enterprises. This move is also in response to the recommendations of the Lambert Review (2003) that advocated increased contribution of higher education to the development of the British economy and society through collaboration, partnership and interaction between UK universities and industries in the area of research, technology transfer and generation of new skills to service the economy. This move implies a greater hands-on involvement of universities in participating directly to revamp both the national and the local economy instead of the previous indirect way of producing adequately skilled labour and useful research for the economy. But in reality universities have been doing more than this already. In response to this policy initiative and direction, government, through the higher education funding councils of the different countries of the UK has allocated funds to the universities to enable them to engage in what traditionally were often called outreach activities. This is what is now known as the "third mission" or "third leg" activities of universities (Rolfe, 2003). The third mission is about the reaching out of the universities directly to their immediate communities through various activities that are outside on site teaching and learning and 'blue skies' research. It is about "reconnecting the university to society and the economy" (Laredo, 2007). A

"third mission" activity is now being emphasised in the mission statements and strategic goals of universities (Rolfe, 2003; Coate et al, 2000). Hughes (2006) has identified the types of interactions that take place between universities, local communities, business and industries in relation to these third mission activities. These include the production of highly skilled manpower for industry, the transfer of useful knowledge and technology to industry and the promotion of entrepreneurial activities with small and medium enterprises. Other third mission activities undertaken by universities include organising conferences, workshops and seminars for the local community; and engaging in teaching and other activities in further education colleges and participating in the activities of the local communities (Coate et al 2000). These activities are directed at meeting the social, cultural, economic (Court, 2004) and technological needs of these constituencies in order to enhance their growth and development. Universities however, have been engaging in these activities for a long time.

Although the Lambert Review (2003) recommended closer interaction and collaboration between universities and business, it did not specifically indicate the role of the university governing bodies in the third mission activities (Rolfe, 2003). However, they can be involved in determining the areas of strategic focus and the risks of the universities concerning the type of third mission activities the institutions should undertake. Some universities have also incorporated the widening participation agenda as part of their third mission activities as revealed in their mission statements and strategic plans.

2. Widening Participation in Higher Education in UK

The 2003 government white paper "The Future of Higher Education" dealing with planned changes to universities in the UK, among other things, focused on commitment

to widening participation in higher education to increase the level of participation of young persons aged 18 – 30 to about 50% by the year 2010. In order to actualise this policy initiative, another policy document known as "Widening Participation in Higher Education" was released by the DfES in 2003. It specifically aimed at ensuring that persons from low socio-economic groups in the society that are traditionally under-represented in higher education participate and benefit from it and to meet the increased demand for knowledge and skills in the British economy as well as tackle the problem of social exclusion of certain groups in the society from participating in higher education. The policy document also set to tackle the problem of social exclusion of certain groups from taking part in higher education. In 2006 another UK government policy document dealing with widening participation was released to further enhance the actualisation of both the 2003 white paper and DfES 2003 policy document.

The DfES (2006) policy document on "Widening Participation in Higher Education" reviewed the progress made so far on the policy initiative and to further strengthen it. The actualisation of the policy by government needed the collaboration of the universities. The UK government, through the various higher education funding councils allocated funds to the universities to enable them engage fully with the implementation of the widening participation agenda, but have no powers over Scotland and Wales on this matter. The funds are allocated to the institutions based on the number of students recruited from the main target groups which are those persons from low socio-economic backgrounds that do not traditionally participate in higher education (DfES, 2006; HEFCE 2006).

In 2003, the UK government established an "Office for Fair Access (OFFA)" (DfES, 2003) to enter into an initial 5-year agreement with universities on how they were to implement the widening participation policy. The office was also mandated to monitor and ensure compliance of universities with the widening participation policy. The institutions were also required to draw up widening participation benchmark they wish to attain and to indicate the amount of bursaries that they would award to target students as part of the agreement with Office for Fair Access. However, failure on the part of the institutions to fulfil their part of the agreement attracts sanctions such as reduction of annual funds allocation due the universities by the funding councils.

The universities appeared to have responded to the policy initiative by incorporating widening participation into their mission statements and strategic goals in order to promote access of traditionally disadvantaged persons into higher education (Lynch, 2006; Bridges, 2006; Thomas, 2001; HEFCE, 2006). The various strategies and approaches adopted by the universities to implement the widening participation policy include outreach programmes through partnership with further education colleges and schools, collaboration with human resource departments of private and public sector organisations, through e-learning to reach target groups and also through participation in foundation degree programmes (Rolfe, 2003; Bridges, 2006; Thomas, 2001).

Court (2004) observed that in Scotland, the focus of widening participation is on widening access within the universities to accommodate the already increased participation level which stood at 50% at the time of the enactment of the legislation. However, this participation level was reached through the sub-degree programmes of the further education colleges. Rolfe (2003) noted that some universities, mostly the Post-

1992 institutions, have benefited immensely from the widening participation programme by increasing their student population and receiving more funds from the funding councils. However, the introduction of variable tuition fees in England in 2006-07 (since 1998 English undergraduate students have paid fees) may affect the continuing participation of students from the target groups. In Scotland, Scottish undergraduates do not pay fees but pay what is known as a graduate endowment after their graduation from university. Newman et al (2004) argued that the marketisation policy of the universities in terms of recruiting more full-cost fee paying students could negate the policy objectives of the widening participation programme, which is intended to attract students from low-income groups in the society to participate in higher education.

Other criticisms have also been levelled against the widening participation agenda. Thomas (2001) argued that the assumptions made by the UK government, concerning traditionally under-represented groups in higher education, in the course of formulating the widening participation policy and strategies adopted, were incomplete and not wide-ranging enough to enable them deal with some of the barriers to low participation of the target groups in higher education. For example, Thomas (2001) observed that government was concerned with bridging just a 5% difference between students from high socio-economic (SEG) groups and those from low SEGs, who are qualified to enter higher education, while ignoring the area of main difference of 26% that exist between both groups in their A level scores. The author claimed that government has not addressed the cause of the disparity between both groups at A level, rather it concentrated efforts on tackling the problem of a few who are qualified to enter higher education. However, this problem appears to have been tackled by government in the policy

document DfES (2003) "Widening Participation in Higher Education", when it required universities intending to charge more tuition fees to undertake out-reach work in schools and colleges to raise the level of aspiration and attainment of the target groups to enable them enter higher education.

Barrett and Barrett (2007) have also argued that widening participation has resulted in an increase in the workload of academics since they now have to teach more students without significant extra resources since it has resulted in a decrease in staff:student ratio in the universities. They also have to formulate strategies to make the students succeed in higher education thereby putting enormous burden on them. The widening participation agenda may be achieving its intended purpose but it could have serious implications for the way the university governing bodies, executive and academics incorporates it into the policy and strategic goals of the institutions and the development of new strategies to accomplish this policy objective of government.

Although the concept of widening participation as an outreach programme may not be new to the Post-1992 institutions, what appears to be new is that it is now a policy objective of the UK government that needs to be complied with by all universities. University governing bodies can engage with the widening participation agenda by formulating policies and strategies jointly with the executive and the academics to ensure the successful implementation of the programme. They could also monitor the performance of the programme through regular reports from the executive.

3. New Managerialism in UK Universities

The concept of new managerialism is usually used to describe a set of organisational practices, values and beliefs that are more commonly associated with private sector

business organisations (Deem, 1998). Some of the characteristics of new managerialism in an organisations as well as universities include efficiency, effectiveness and economy in service delivery, setting of reasonable and achievable targets, use of performance indicators to determine achievement of set targets, monitoring and evaluation of performance of employees and that of the organisation in achieving objectives, use of benchmarking practices to determine performance level, adoption of 'best practices' for job performance, de-emphasising of bureaucratic procedures, engaging in quality assurance activities, accountability performance in service delivery, partnership between public and private bodies, competition for resources, down-sizing, providing value-for-money, etc (Deem, 1998; Deem and Brehony, 2005; Clarke, Gewirtz and McLaughlin, 2000). The various public sector reforms since the 1980s, including those of universities in the UK, appear to be based on the ideology of new managerialism (Clarke et al, 2000; Deem, 1998; Deem and Brehony, 2005). New managerialism was also perceived by Deem (1998) and Clarke et al (2000) as attempts to change the culture of management and governance of public institutions and universities in alignment with those of business organisation in the private sector. Clarke et al (2000) observed that the move to gradually managerialise public services by government started from about 1979 with the intention of giving more prominence to managerialism over professionalism as a better approach to the delivery of public services to society. New managerialism advocates the 'right to manage' by managers instead of by professionals (Clarke et al, 2000; Deem and Brehony, 2005). Some commentators on the reforms of higher education have observed that the recommendations of the Dearing Report (1997) were attempts to managerialise UK universities (Trow, 1997; Deem, 1998).

Deem (2004), Deem and Brehony (2005) and Thornton (2005) in their study of managerialism higher education observe that the set of practices that characterise new managerialism have found their way into UK universities and have also permeated the activities of manager-academics thereby displacing the collegial approach to managing the academic enterprise. Kogan (1988) had earlier observed the managerialisation of higher education institutions in the UK in order to weaken collegial forms of governance in these institutions. This appears to imply that New Managerialism has eroded the power and authority of academics in managing academia and their participation in the decisions concerning the organisations in which they work. It has enabled the university governing bodies to privilege the importance of the activities of manager-academics and other senior managers over the core business of teaching, learning and research in the universities. As a result of the managerial changes that are taking place in universities, Kennedy (2003) has described the institutions as "more corporate in nature, more externally-oriented, more reliant on private sources of income…greater attachment to the needs of the economy, commitment to research and development that meets the economic and social needs of the nation" (p. 59). This change in organisational culture brought about by new managerialism in universities in the UK met with resistance by academics that saw their status in the institutions being relegated from that of decision-maker to mere employees (Halsey, 1992, Dearlove, 1995). These managerial changes could also have implications for the way the universities are governed and managed because the governing bodies worked directly with the executive and not with the academics.

4. Research Quality Assessment in UK Universities

The search for and production of new knowledge in order to push back the frontiers of knowledge, has long occupied a significant place in the life of universities. Research has been one of the purposes of universities apart from teaching and learning and which have also formed the basis of technological development for human benefit. Research has also become a veritable instrument for development and competition among nations and universities worldwide.

The UK government in realising the role of university research for the development and competitiveness of the British economy and society and also as a means of generating more funds for the institutions have encouraged the engagement of its universities in applied and useable research through various science and research policies and research funding streams (Deem, 2008). The various UK government research policy documents include the following: DTI (1998) *"Our Competitive Future: Building the Knowledge Driven Economy"*, DTI (2001) *"Excellence and Opportunity: A Science and Innovation Policy for the 21st Century"*, DfES (2003) *"The Future of Higher Education"* and Higher Education Act 2004. The Dearing Report (1997) also emphasised the important role of university research for the economic competitiveness of the nation.

The government's interest in university research has resulted in the assessment of the quality and quantity of research undertaken by university departments and their academics through the Research Assessment Exercise (RAE). The RAE utilises peer academics panel to assess the quality of research outputs, funding, research student provision, research culture and infrastructure. It was originally termed a research

selectivity exercise in 1986 and 1989 and only became RAE from 1992 onwards (Deem, 2008).

The results of the RAE are used by the higher education funding councils in UK universities to allocate special research monies to the institutions (McNay, 2003). There are other benefits derived by the universities apart from the funding that comes from the HE funding Councils and Research Council, such as enhancing the reputation of the institutions in both national and world leagues tables. This has also enhanced the competitiveness of the institutions among other universities nationally and internationally with the subsequent attraction of high tuition fee-paying international students which generates more funds for the universities. The undertaking of high quality research in institutions has also led to the attraction of excellent and outstanding researchers to the universities.

The research assessment exercise (RAE) began in UK universities in 1992 with subsequent ones in 1996, 2001 and the latest being that of 2008 (Deem, 2008). However, despite the benefits that are accruable to universities from the outcome of the RAE, criticisms have trailed the exercise. Lucas (2006) and Deem (2008) contend that the RAE has been controversial because of the methodology adopted to assess the research performance of the institutions and the ways in which the universities have interpreted the RAE have implications for academic staff. The RAE has been criticised for enhancing the status of researchers over teachers in the universities and has also created a bigger gap between a small group of research-intensive Pre-1992 universities and some less research-intensive Pre-1992 and Post-1992 institutions (Deem and Lucas, 2007).

The various UK government research policies indicate the need for universities to play a greater role in the development of the UK economy and society through the use of applied research generated by the institutions. The research policies and the RAE have implications for the development of institutional policies and strategies at the level of the governing bodies, executives and the various academic departments.

In implementing the four areas of higher education policy discussed above, the university governing bodies could comply with the policy initiatives by incorporating them in the strategies of the institutions. These policies are not without their accompanying risks for the institutions especially for the academics whose attention would be diverted from the areas of teaching, learning and research in order to pursue these activities. The risk aspects could be determined and managed through the usual risk management and governance processes of the institutions. The third mission activities are external outreach activities with commerce and industry which can be strengthened by the lay governors of the universities who have strong contacts and relationships with corporate bodies in the private sector. The presence of 'business governors' with corporate governance and management experience on the governing bodies of universities have helped to entrench and strengthened managerial practices in UK universities.

In summary, this review has highlighted the third mission activities, widening participation, research assessment and new managerialism as some of the issues that have engaged the attention of universities in the UK in recent times and which have serious implications for their governance and management. It is within this wider context of issues affecting higher education that university governing bodies are expected to exhibit effective governance leadership in addressing them.

2.2.0 Lay Participation in University Governance

Lay participation in university governance is as old as university itself. Tracing the history of lay participation in university governance, Bargh, Scott and Smith (1996) and Shattock (2006) recounted that UK universities were previously governed and managed solely by lay people from the business class who founded them in the 19th century. University governing bodies were at that point in time dominated by lay persons from the external environment of the institutions who were engaged with the physical development of the institutions and employing the academic and non-academic staff (Bargh et al, 1996). The internal governance and management of the universities were lay-controlled. Academics were not part of the governance arrangement during this period since they were employed mainly to teach students (Shattock. 2006).

However, from about 1945 after the war academics and vice chancellors took over the governance of universities with little lay representation and influence in decision-making (Bargh et al, 1996; Shattock, 2006). Although lay governors and their governing bodies were still governing the institutions at this point, they were no longer the ultimate decision-making bodies. Academics participated in governance decision-making along with the lay governors and some became members of their university governing bodies. Shattock (2006) claimed that the emergence of academics on university governing bodies and their participation in governance were the results of the agitation of the professoriate to participate in institutional governance. Academic voice in institutional governance decision-making increased thereafter and lay control of the institutions waned. The role of university governing bodies became limited to non-academic matters while academics

controlled teaching, learning and research as well as academic appointments and the separation of functions were defined in the statutes of the institutions (Shattock, 2006).

Bargh et al (1996) argued that in the 1980s the trend towards 'massification' and 'marketisation' of universities resulted in the redefinition of the role of university governing bodies as a result of the challenges and changes that were taking place in higher education. University governing bodies were required to become more active in governance in order to direct their institutions to meet with the changing circumstances and situations of the institutions (Jarratt, 1985). The UK government also intervened in changing the governance and management culture of universities through various governance reform initiatives by empowering university governing bodies and encouraging them to be more active in governance because it perceived that the universities can play a more vital role in developing the economy and society.

The recommendations of the Jarratt Report (1985), Dearing Report (1997), Cadbury (1992) corporate governance reform reports and the various legislations of the Education Reform Act 1988 and Further and Higher Education Act 1992 were valuable in initiating and shaping a corporate approach to governance in these institutions in which lay governors were to become prominent again in university governance. The change in governance culture was perceived by Bargh et al (1996) and Deem (1998) to be linked to the emergence of new managerialism but also to declining public funding. The restructuring of the size and composition of the governing bodies of universities with the subsequent appointment of majority of lay persons mostly from industry, business, commerce and the professions as recommended by the various higher education governance reforms were intended to change the governance culture of these institutions

from the academic-dominated collegial style to a lay-dominated corporate governance approach. The influence of lay governors had waned when university governance was mainly collegial but was resuscitated in the new approach to governance recommended by the reforms. The lay governors were to serve as culture change agents while the governing bodies were the main arenas for the change in governance culture (Bargh et al, 1996). The lay governors were required to bring their skills, knowledge and experience in corporate governance matters and business practices to bear on their respective universities. The criteria for appointment of lay governors appear to re-define the original concept of lay governance in UK universities which does not specify the background of lay governors.

Lay involvement in public services is a means of public representation in decision-making concerning the products and services that are produced by these organisations. Lay people are either appointed or elected into the governing bodies of public institutions as a result of the New Labour policy of ensuring service users and consumers are involved in the development of policies and decisions about the product which they consume and thereby relegating the power of service producers/professionals. This is part of the modernisation agenda of public institutions by the New Labour government in the UK on assumption of office in 1997. The Nolan Report of 1985 (Committee on Standards in Public Life) also recommended that members of governing bodies of universities should be appointed based on merit and that they should possess a good balance of skills and experience. The report also emphasised that the appointment process should adopt the principles of good, open and transparent recruitment practices.

The corporatisation and managerialisation of universities in the UK which resulted from the various higher education reform initiatives would imply a change in the traditional approach to governance in these institutions to a corporate governance style that is fit for purpose.

2.3.0 Reform of Higher Education Governance

There have been attempts at reforming the governance of higher education in the UK since the mid-1980s ostensibly to enable universities to cope with the challenges imposed on them by the effects of globalisation (Altbach, 2001; Gibbons, 1998; King, 2003) and internationalisation (Enders, 2004; Hahn and Teichler, 2005). On one hand, the expansion of the higher education system from elite to a mass education was set up in response to the social inclusion policy of government and the accompanying reduction in the funding of universities on the other. The higher education governance reforms were also intended to reposition the universities to respond positively to the knowledge, skills and technological demands of the UK economy and society. In reforming the system of governance in the of higher educations from collegial to corporate model, lay governors appointed from the world of commerce, industry and the professions were required to bring about the change of governance culture (Bargh et al, 1996). Some of the higher education governance reform initiatives and their implications for the governance structures and processes of the universities are examined below.

1. The Jarratt Report

In April 1984, while pre-empting government, the Committee of Vice Chancellors and Principals of UK universities appointed a committee headed by Sir Alex Jarratt to conduct a series of efficiency studies on the management of UK universities (Jarratt,

1985 p.6) as a result of the financial and management problems created by the 15% cuts in funding by government to universities and increase in student enrolment which led to a reduction in unit cost by 45% in the 1980s (Deem, 2004; Shattock, 1999; Williams, 1997). Jarratt (1985) observed that planning, resource allocation and accountability were the biggest issues challenging university administration and that these institutions do not have the appropriate governance structures and processes to engage effectively in good and efficient practices in these areas of the life of the institutions that would enable them cope with the pressures. Jarratt (1985) saw the need for change throughout the university system and that the organisation of each university required restructuring to allow for change and improvement without compromising the purpose of the university. The Jarratt Committee made some specific recommendations to government, Universities Grants Committee (UGC), Committee of Vice Chancellors and Principals (CVCP) and the universities to implement in order to bring about the desired efficiency in management and governance into the higher education system.

The Jarratt Committee recommended that government through the funding council (UGC) should encourage universities to engage in strategic planning, adopt best practices in the areas of governance and management to make them more efficient and effective in achieving their purpose, develop performance indicators to determine the extent to which they are achieving their strategic objectives, and the funding council should allocate funds and monitor the use of such funds by universities. University governing bodies were directed to be more active and assertive in their governance roles especially in the areas of strategic planning, policy development, resource allocation, monitoring and accountability to ensure the achievement of the objectives and purposes of the

universities. The emphasis on the assertiveness of university governing bodies is argued to be aimed at curbing the resistance of academics to the change of governance and management cultures of universities (Dearlove, 1995). Jarratt (1985) also recommended that there should be a reduction in the number of local authority representatives on university governing bodies and that their place should be taken up by lay persons with relevant skills and experience relevant to the functions of the universities recruited from local, regional and national sources. It also recommended a joint committee of the governing body and senate to oversee strategic planning, policy and resource allocation issues in the universities. This appears to imply the need for collaboration in governance between the university governing body, the executive and senate in strategic areas of the organisation of the institution. The Jarratt Report (1985) made university governing bodies the supreme decision-making bodies in the universities while senates were to play a subordinate advisory role to these bodies. But the extent to which this change in power relations between the two decision-making bodies have manifested in the Pre-1992 universities is yet to be determined (Ackroyd and Ackroyd, 1999). These recommendations appear to set the pace for a gradual shift in governance practice from collegial to corporate governance which meant a change in the discourse of university governance and management, the introduction of language of business efficiency and business practices in UK universities (Bargh et al, 1996; Trowler, 1998; Middlehurst, 2002; Buchland, 2004). The shift in governance and management appeared to have placed less importance on the role of academics and more prominence to role of university governing bodies in governance and those of vice chancellors in management (Dearlove, 2002). These governance and management reforms as proposed by Jarratt

(1985) were perceived as erosion of collegiality and academic self autonomy that characterised the governance model of the Pre-1992 universities and the rise of managerialism in UK universities (Dearlove, 1997; Deem, 2000; Deem, 2004; Kogan, 1989; Shattock, 2006).

2. The Education Reform Act 1988

Another significant development in the reform of governance of higher education institutions was the enactment of the Education Reform Act 1988 converted polytechnics in England that were formerly funded and under the control of local education authorities into higher education corporations. But this Act did not affect Scotland as it had no polytechnics. The Act provided for institutional governing bodies to be the ultimate decision-making bodies responsible for all aspects of the universities including the education character and missions of the institutions. The Act restructured the governing bodies of these institutions by reducing the number of academics and other representatives groups on these bodies and increased the number of lay governors. These university governing bodies were made lay-dominated and the lay governors were to be recruited mainly from among persons appearing to have governance and management skills, knowledge and experience in business, industry and the professions. An emphasis on such criteria for appointment of lay governors would mean professionalising university governance (Baird, 2006; Considine, 2004) thereby redefining modern concept of lay governance in UK universities. The size of the governing bodies was fixed at a maximum of 24 members and minimum of 12 persons. The membership of the higher education corporation was synonymous with only members of the university governing bodies. With the enactment of the Education Reform Act 1988 the powers of academics

was greatly reduced and those of the governing bodies were enhanced. According to Bargh et al (1996), the post-incorporation institutional governing bodies were regarded as 'key arenas of change' in governance and management cultures of these institutions and the lay governors were perceived as 'cultural change agents' (p. 21). The industrial and commercial knowledge and experience of the lay governors placed them in a better position to change the collegial style of governance to corporate model and to introduce business management practices in these institutions. The Education Reform Act 1988 created a unicameral governance structures for higher education institutions in the UK (Shattock, 2006). These governance arrangements were further given legal backing by the Further and Higher Education Act 1992 that conferred degree awarding status to the Post-1992 institutions. Knight (2002) had criticised the lay dominance of university governing bodies saying that the governance arrangements caused the governance problems that were experienced by the some of the Post-1992 institutions. Shattock (1998) has also criticised the governance arrangements legislated by the Education Reform Act 1988 as not suitable for public accountability. The unsuitability of the arrangements for purposes of accountability may have resulted in such cases of financial crisis as was reported in University of Wales College, Cardiff in 1986-87 (Williams, 2006) and University of Lancaster in the mid 1990s (Deem, 1998; Rowe, 1997) and also the instances of management and governance malpractices as was in universities of Portsmouth, Glasgow Caledonia and Thames Valley (Rowe, 1997, Shattock, 2003; Warner and Palfreyman, 2003) which caused government to call the institutions to account for such failures in order to remedy the situations.

A similar development, which had a significant effect on the governance and management of higher education institutions, took place some years later in the wider society. In 1992, the Committee on the Financial Aspect of Corporate Governance (Cadbury Committee) was set up to look into the financial aspect of corporate governance of companies in the private sector. The Cadbury Committee recommended a code of best practice for which boards of all listed companies should comply with in order to ensure a high level of standard of corporate governance and financial accountability.

3. The Nolan Committee Report

The UK Government also appointed the Nolan Committee on Standards in Public Life in 1995 to address concerns about the standard of conduct of public officers in order to ensure good morals and accountability in public life. The Committee sets out standards for adoption by publicly funded bodies in their day-to-day operations in order to institute transparency, credibility and accountability on these bodies. The standards include transparency and openness in appointment procedures and codes of conduct, training and whistle-blowing practices. In order to achieve these standards, the Committee put forward seven principles of public life which public office holders are required to abide by in the conduct of their official businesses. These principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Specifically, Nolan Committee (1995) recommended that university governing bodies should ensure that their recruitment practice should be based on merit and relevant skills and experience. The Committee also recommended that higher education institutions that receive public funds should review their governance practices and procedures by adopting the best

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practice approach and that a statement of their approach to governance should be included in the annual report of the institutions. Dearlove (1998) argued that the second report of Nolan (1995) set out to address the issue of sleaze in university and the appointment as well as the accountability of university governing bodies but failed to address issues relating to the organisation of the core mission of universities which is teaching and research.

4. The Dearing Report

In June1997, the Dearing Committee was commissioned by the Conservative government to advise on the future funding and development of higher education institutions in the UK over a period of twenty years but the recommendations were implemented by the New Labour government in its first term in office. The Committee made wide-ranging recommendations that touched on the future of higher education especially concerning such issues as widening participation of students, effectiveness of teaching and learning, support for scholarship and research, communication and information technology, and management and governance. Deem (1998) observed that Dearing (1997) did not make any recommendations that would significantly improve the financial position of universities. It did introduce home undergraduate fees at a rather minimal level. All these recommendations were meant to strategically re-locate these institutions and by extension, the UK as a nation to meet the challenges of the economic and technological changes taking place worldwide.

The Dearing Report (and its equivalent in Scotland, the Garrick Report) recognised the contributions the governing bodies have made towards effective governance of these institutions in the past but still made proposals that could enhance the effectiveness of the

framework within which they work by recommending a code of practice for institutional governance. It believed that the effectiveness of these higher education institutions depends largely on the effectiveness of their governance and management structures and processes. Dearing (1997) therefore recommended that university governing bodies should be made up of majority of lay governors; membership of the body should not exceed 25 persons, the governing bodies should review their own effectiveness and those of their universities periodically with the help of external assistance and to also identify areas of improvement that may ensure effective performance. The lay governors were required to head all the committees of the governing bodies. The governing bodies were also to ensure the accountability of the institutions to their external stakeholders. The Dearing Report also reduced the powers and responsibilities of university courts to mere advisory role. Deem (1998) argued that the recommendations of Dearing Report (1997) are based on managerial practices of new managerialism perspective as against that of collegiality which vice chancellors readily accepted. The report also emphasised compliance of the institutions to codes of practices which could be interpreted as imposing a regulatory framework on universities. The Dearing (1997) recommendation of good managerial practices in place of finding solutions to the funding problems of universities is viewed as unsuitable to the purpose of the institutions (Trow, 1997).

5. The Lambert Review

In 2003, the UK government released another higher education reform white paper titled "The Future of Higher Education" which was aimed at using universities and their teaching and research to create new skills, knowledge and technology in order to build a highly competitive economy (DfES, 2003). One of the highlights of the reform agenda is

to enable universities establish stronger links with business and the economy. The collaboration is aimed at enabling the universities to use their research capacities and capabilities and the knowledge they generate to meet the developmental and technological needs of business and industry. The 2003 white paper also proposed that it "will ask business of its view of the present governance, management and leadership arrangements and their effectiveness in supporting good research and knowledge transfer and providing relevant skills for the economy" (DfES, 2003; Lambert Review, 2003).

In 2003, the UK government appointed the Committee on Review of Business-University Collaboration headed by Sir Alex Lambert to assess the possibility of wider and more formal co-operation between business and universities especially in the areas of research and knowledge transfer and the production of skills for the economy. This was in response to the 2003 White Paper that recommended that the views of business should be sought concerning these matters. The Lambert Review recommended increased co-operation between universities and business especially in the area of applied research that can be used to revamp the economy. It also recommended that universities should reorganise their governance and management structures and processes in order to ensure their effectiveness in meeting the challenges of managing modern and entrepreneurial universities and to support links with business and industry. It states specifically that the Committee of University Chairmen (CUC) with the approval of government, through the various funding councils and the administration of the universities should develop a code of governance representing best practices across the sector for the institutions to adopt. The body has responded by producing an up-dated 2004 version of its governance framework to guide the governance activities of university governing bodies in the UK as

discussed in the next section. The Review also recommended that the university governing bodies should systematically review their effectiveness against stated objectives and that such reviews should be published in the universities' annual report and on the internet. The Lambert Review acknowledge the earlier Dearing Report of 1997 especially on its recommendation concerning the code of best practice for university governing bodies which they observed some institutions have already adopted and practising. The Lambert Review can also be viewed as advocating a corporate approach to university governance (Middlehurst, 2002; Lapworth, 2004) in support of the Dearing Report (1997) and Education Act 1988. However, Lapworth (2004) has criticised the Lambert Review for not paying attention to the need for a collaborative governance style in university that is capable of addressing the core business of teaching and research in the universities, rather attention is given to university governing bodies complying with the dictates and wishes of external interests.

6. The CUC Governance Framework

The recommendations of the Dearing Report (1997), the Cadbury Report (1992) and the Lambert Report (2003) culminated in the formulation of a governance framework by the Committee of University Chairmen (CUC) first in 1995 and later revised in 2004 to guide university governing bodies in their governance practices. The governance framework was proposed by CUC in collaboration with the higher education funding councils of England and Scotland. All the aforementioned committees had recommended the corporate governance code of practice prevalent in the private sector worldwide because of their perceived efficiency and effectiveness in achieving corporate objectives for higher education institutions in UK. The CUC (2004) governance framework

incorporates current good governance practices in the private and public sector of the economy and the recommendations of the Lambert (2003) report. The governance guide is intended to improve the practice of university governance across the higher education sectors in the UK. However, the guide is supposed to be voluntarily adopted and applied by the universities but it has a proviso for the institutions to report on how they applied the code in their annual audited financial reports.

The guide places on the university governing body the responsibility for the general control, direction and supervision of the institution as well as making it the ultimate decision-making body. The governing body is also saddled with the responsibility for approving the mission, strategic direction, strategic plan and budgeting plan for the delivery of the purpose of the institution. The governing body was also to appoint the vice chancellor, monitor his/her performance and to hold the vice chancellor accountable for the overall performance of the university.

7. A Government Modernising Agenda

By 1997, the advent of a new UK government (New Labour) signalled another policy agenda aimed at modernising the public sector. The purpose of the modernisation agenda was to improve the management of public services to meet the demands of the citizens and electorate as well as meeting the requirements of a dynamic business environment (Newman, 2000). But the Tories had been modernising public services since 1997. The aim is to improve performance of the public sector in delivering services. It emphasises efficiency, performance, collaboration and participation with partners, markets and quasi markets, customers instead of producers, and 'joined-up' government. Modernisation of public service is an improvement on New Public Management reforms in the UK. Both

the NPM and the modernisation agenda were part of the reforms that affected higher education in the UK.

In summary, the various reforms concerning the governance of higher education as well as those taking place in the wider society have created a myriad of organisational problems for the institutions which the university governing bodies as the ultimate authority and decision-making bodies are required to direct their institutions to address.

The governing bodies of universities have a strategic role to play in all these reform processes which they ensure are complied with and implemented by the vice chancellors, the executives and senates. The university governing bodies are constituted by the reform reports as culture change agents (Bargh et al, 1996) that will ensure the universities respond favourably to the reform initiatives and to serve as intermediary bodies between the universities and government. In order to effect a culture change from collegial to corporate and enterprise culture and to ensure the accountability of their institutions, university governing bodies were reconstituted with majority of their members appointed from industry where the corporate culture and managerial practices are well entrenched. Those appointed as governors are persons whose "social and cultural identities are aligned with a market ideology" (Bargh, Scott and Smith, 1996, p. 22).

The way and manner university governing bodies in the UK respond to the reform of university governance system in view of the external challenges facing the institutions and the pressures to comply and conform to the higher education reform initiatives is the focus of this study.

2.4.0 England and Scotland: Two Different Policy Contexts

In this study, I adopted a comparative case study approach to examine higher education governance in seven English and Scottish universities within the first decade of the 21st century, focusing specifically on the role and activities of governing bodies of these institutions. It is helpful however to provide the wider more differentiated and divergent policy context in which the study is taking place in order to set the tone for a proper comparison.

A comparative study as this within such a divergent policy context may enable the analysis of some salient differences between the governance systems of English and Scottish universities that could be of interest and practical value to all stakeholders of higher education in the UK. It is also possible for the higher education systems of both countries to learn some institutional governance and policy lessons from each other as a result of making these comparisons between both countries of the UK. Such comparative study can also contribute to the on-going theoretical debates concerning the effects of political devolution in the UK (Hogson et al, 2003) especially in the area of higher education governance policy development and implementation.

In England and Scotland, there are some noticeable differences in ideologies and the ideals they strive for, which seem to have affected the development and implementation of policies as a result of the 1999 political devolution in the UK. The policies and the priorities of both countries of the UK appear to be pursued based on certain perceived peculiar contextual factors such as their different identities and traditions (Ozga, 2003). However, Ozga (2003) observed that despite attempts for convergence in certain aspects of the legislations of UK-wide policies, there is also a tendency for these two countries to

diverge based on differences in the constitution of their ideals, cultural identities and priorities which appears to be very prominent in Scotland than in Wales and Northern Ireland.

Ozga (2003) also observed that prior to the 1999 political devolution, Scotland had always operated a 'distinct and differentiated pattern of policy provisions' during the period of the system of administrative devolution beginning from 1872 when the Scottish Education Department was established. This appears to imply that education had been devolved long before political devolution in 1999.

Political devolution has also resulted in England and Scotland having different priorities and directions which have led to different policy innovations and modes of delivering public services (Keatin, 2001; Ozga, 2003; Schmuecker, 2005). For example, Keatin, Stevenson and Loughlin (2005) observed that in making some major public policy decisions, the English executive adopted what they referred to as 'consumer choice and diversity' approach while the Scottish executive favoured 'professionalism and uniformity' and these two different approaches, they reasoned, have resulted in different policy provisions even on issues that affect both countries. Keatin et al (2005) also argued that Scotland embraces a social democratic approach to the delivery of public service while England adopts a more market-oriented and managerialist approach. Explaining further the divergent approach to welfare policy in Scotland in view of the distinctive character of the Scottish tradition in comparison with England, Lindsay Paterson argues thus:

> *"The welfare state in Scotland was Scottish in implementation of large areas of policy...These were crucial in the sense that they shaped the character of society more profoundly than many of the topics that were not administered in Scotland...Scottish institutions were held to constitute Scottish identity.*

> *They were taken to be the embodiment of a putative tradition of popular sovereignty which was believed to be older and more legitimate than the sovereignty of the parliament at Westminster" (Paterson, 1998, pp. 62 – 63).*

This according to Ozga (2003) is an attempt to view "devolution as a representation of difference' between Scotland and the other countries of the UK.

Taking a historical perspective of the development of a differentiated national Scottish identity since the union of the Parliaments of England and Scotland in 1707, Brisand, Menter and Smith (2003) and McCrone (2005) observed that there were three major institutional structures in Scotland namely the church, the law and education which shaped the characteristic distinctiveness of Scotland from England, Wales and Northern Ireland. The Scots seem to derive some of their cultural values and identity from their close interaction with continental Europe (Davie, 1993). Although, the Scots and the English may have some similarities in their cultural values and social attitudes, they arguably have different ways of actualising them politically and socially (McCrone, 2005). The Scots adoption of a social democratic approach to political and social issues seems to be the reason public opinion has a way of influencing political decisions more in Scotland than in England (McCrone, 2005). Expressing this same view further, Davie (1993) contended that the perceptions of the Scots of a civil society is framed by a shared belief that national development takes place when there is a dialogue between professionals and lay people. Scotland therefore appears to adopt a more democratic and participatory approach to the development and implementation of policy than in England where government seems to engage only the participation of policy elites in the development of policy (Finlay and Egan, 2004). This view is manifested in the way the Scottish Parliament makes policy decisions which hinges on the "principles of power

sharing, accountability, equal opportunities, openness and participation" (Cairney, 2005, p.1). Keatin et al, (2003) have also produced a typology of legislations enacted between 1999 and 2003 based on policy divergence and convergence between Scotland and England in order to buttress the issue of differentiation between both countries occasioned by political devolution.

In contrasting the areas of divergence in higher education policies between England and Scotland, Deem (2005) highlighted the following:

- The result of assessment of research quality in universities in the UK is interpreted differently in both England and Scotland for the purpose of funding the universities.
- While it is mandatory for English universities to subscribe to the Higher Education Academy to enhance the teaching capability of academics in England, it is optional in Scotland.
- While in England there is a policy that separates teaching from research universities, in Scotland teaching and research activities are still being undertaken in all universities.
- In England there are different funding councils for both its further and higher education sectors but in Scotland there is just a single funding body for post-secondary education institutions.
- In Scotland, there is fund made available for the continuing professional development of teachers through the professional doctorate programmes but this is not the case for teachers in England (Deem and Lucas, 2007).

However, Deem (2005) had cautioned on the making of comparison between English and Scottish higher education systems because the sizes of the two systems are not the same. The policy context that forms the basis for the comparison of higher education governance in both English and Scottish universities in this study reveals an interesting discourse of difference and divergence between the two countries of the UK. Based on the foregoing analysis, it can be concluded that devolution has resulted in divergent policy development and implementation between England and Scotland which has enabled both countries to pursue their respective national development efforts by taking into cognisance the uniqueness of their peculiarities and priorities and this may affect the system of university governance in both countries.

2.5.0 Institutional Context of Pre-1992 and Post-1992 Universities

In this section, I discussed the contextual characteristics between the Pre-1992 and Post-1992 university governing bodies in the UK which forms the basis for comparison in this study by highlighting the history of the establishment of the institutions, legal framework in which they operate and the governance arrangements in these institutions. There are two broad categories of institutions making up the higher education system in the UK. These are the Pre-1992 and the Post-1992 universities and they come from diverse backgrounds and different constitutional arrangements (CUC, 2004).

1. Pre-1992 University Governing Bodies

The Pre-1992 universities were established by Royal Charter granted by the Privy Council and are therefore referred to as chartered universities due to the way they were incorporated. But a few of the universities were established by Acts of Parliament and operate based on statutes and they are known as statutory corporations (CUC, 2004). The

Pre-1992 universities are a diverse group with different histories and constitutional arrangements as entrenched in the instruments of their establishment and their legal frameworks known as the charters and statutes but they appear to possess common governance characteristics (CUC, 2004; Coldrake, Stedman and Little, 2003). These institutions were established at various times in the history of higher education in the UK dating back to as early as the 19th century (Coldrake et al, 2003) but Ackroyd and Ackroyd placed their establishment at between 30 to 300 years ago. These universities are governed through their individual charters and statutes and they make provisions for a bi-cameral system of institutional governance and another separate governing body known as academic senate. The bi-cameral system of university governance, according to Shattock (2006), first came into existence in English higher education at about 1880 at Owens College, Manchester. The bi-cameral system has an overall governing body known as University Court (not the same as court in Scottish universities) and a Council which is the executive governing body and have same role as court in Scottish universities.

The university court is usually a very large body with size ranging from 50 to about 400 members (CUC, 2004; Coldrake et al, 2003) that is charged with overseeing the institution and can advise the executive governing body and the vice chancellor on a number of issues affecting the institution. It serves as a stakeholder forum because it is composed of representatives of the identified internal and external stakeholder groups of the university. The university court meets once a year to consider the annual report and audited accounts of the institution and presents its own views on them which the university could take into consideration. But the Dearing Report (1997) which was also

echoed by the Lambert Review (2003) recommended that university courts should neither have any constitutional role to play in the universities nor have authority over the executive governing bodies of the institutions. Some university governing bodies have reviewed the role of their courts as recommended by Dearing (1997). In the current governance reforms, university courts ratify the policy decisions of the institutions but do not partake in formulating them (Ackroyd and Ackroyd, 1999).

The governing bodies of Pre-1992 universities (known as council in England and court in Scotland) were usually fairly large bodies ranging from 25 to more than 60 members composed of majority of academics but with the higher education governance reforms (Jarratt, 1985; Dearing, 1997) the size of these bodies been reduced. They now range between 26 and 36 members composed of majority of lay governors, co-opted members, representative of university courts, academic and non-academic staff, and students as well as ex-officios who are usually senior managers of the institutions.

The CUC (2004) governance framework stated the role of governing bodies of Pre-1992 universities as:

> *"...responsible for the university finances and investments...estates and buildings. It has authority to make contracts on behalf of the university and to enter into loan and mortgage agreements...has oversight responsibility for learning and teaching and research" (p. 40)*

The governing bodies of Pre-1992 universities would always seek the views of senate on many issues concerning the institutions (Shattock, 2006; Ackroyd and Ackroyd, 1999). However, the power over academic matters is ceded to academic senate of the universities which is the body statutorily established to deal with such issues (CUC, 2004; Shattock, 2006).

The organisational structures and division of roles between the governing bodies of the Pre-1992 institutions prior to the higher education governance reforms and the unification of the higher education system in 1992 were more collegial in terms of approach to governance (Bargh et al, 1996; Dearlove, 1995; McNay, 1999). The collegial mode of governance was based on the principles of participatory decision-making, professional expertise, self-regulation and control over academic work by academics at both the level of the university governing body and the academic senate (Bargh et al, 1996; Dearlove, 1995; Shattock, 1999; Berdahl, 1990). In collegial governance, the university governing body is usually academic-dominated with low lay representation and influence in the affairs of the institutions (Bargh et al, 1996). In order to facilitate participatory decision-making by academics, elaborate committee structures were constituted to deal with various aspects of the organisation of the universities.

Collegial governance has been criticised by many commentators of higher education governance as being too slow in reaching decisions (Bargh et al, 1996; Dearlove, 1995), academics are too inward-looking and unresponsive to changes in the operating external environment of the institutions (Dearlove, 1995; Ackroyd and Ackroyd, 1999), elaborate committee system was operationally dysfunctional (Bargh et al, 1996) and academics are not trained to govern and manage organisations but to teach and conduct research.

Collegial governance started its decline in the Pre-1992 universities with the higher education governance reforms initiated by the recommendations of Jarratt Report in 1985. This decline in the power and role of academics in university governance was reinforced by the enactment of the Education Reform Act 1988, the Further and Higher Education Act 1992 and the Dearing Report (1997) with the re-emergence of lay-

dominated university governing bodies and stronger senior management teams led by vice chancellors (Bargh et al, 1996). The decline in collegial governance in UK universities appears to be initiated by government but it is an activity that is highly valued by the academics themselves and they resisted the change to corporate governance model (Dearlove, 1995).

2. Post-1992 University Governing Bodies

The Post-1992 universities in England and Scotland were established from different historical and contextual backgrounds. In England, the Post-1992 universities were the former polytechnics which were funded and controlled by the Local Education Authorities and became independent higher education corporations through the enactment of the Education Reform Act 1988. The Post-1992 institutions in Scotland were the former colleges of technology established as central institutions by the Central Institutions (Recognition) (Scotland) Regulation 1988. Both the polytechnics in England and central institutions in Scotland offered academic degree programmes accredited by the Council for National Academic Awards (CNAA). The Post-1992 institutions are referred to as independent higher education corporations as a result of their incorporation by the Education Reform Act 1988 and are conducted by instruments and articles of government. By 1992, these institutions were upgraded to university status and granted degree awarding powers through the legislation of the Further and Higher Education Act 1992. The Post-1992 universities emerged from a civil service ethos with bureaucratic forms of administration since they were formerly controlled by the Local Education Authorities. But with the enactment of the Education Reform Act 1988, the Post-1992 institutions were made to adopt managerial style of governance and management. Their

governing bodies known as board of governors are lay-dominated with no provision for staff and student representation. The external lay governors were appointed mainly from commerce, industry and the professions and they were to possess managerial and professional skills knowledge and expertise that are relevant to the activities of their institutions. The size of the governing bodies of the Post-1992 universities is usually between 12 and 25 members as recommended by Dearing (1997). Constitutionally, the corporation is the university governing body and membership of the corporation is limited to members of the board of governors only but in practice through the amendment of their statutes, some have included one or two staff and students. In the Post-1992 institutions, staff are regarded as employees of the corporation.

The governing body of Post-1992 institutions is the supreme decision-making body in the university with overall power and responsibility to determine the 'educational character and mission' of the institution. It is also responsible for the efficient and effective use of the resources of the university as well as the accountability of the institution. The constitutional arrangements in Post-1992 institutions does not provide for the establishment of a university court as in the Pre-1992 universities thereby creating a unicameral governance structure which reflected their initial bureaucratic background as institutions formerly under the control of Local Education Authorities (Shattock, 2006).

The vice chancellor of a Post-1992 university is also a member of the board of governors and is endowed with much power and authority over the day-to-day operational management of the institution (Ackroyd and Ackroyd, 1999). The role of the academic board in the governance of the higher education corporation (equivalent to senate in Pre-

1992 universities) is restricted to giving advice to the governing body in relation to resource and academic matters that were referred to it (Shattock, 2006).

2.6.0 Conclusion

In this chapter, I focused on some of the key issues affecting higher education institutions in the UK such as 'third mission' activities, widening participation, managerialism and research quality assessment. I also briefly traced the history of lay participation in university governance and examined the recent higher education governance reforms in the UK. Furthermore, I reviewed the differentiated higher education policy context within which English and Scottish universities operate as well as the institutional contexts of Pre-1992 and Post-1992 institutions in the UK. I argued that all these issues have implications for the governance and management of UK universities and they also form the background to this study.

In the next chapter, I discuss the concept of corporate governance and the corporate organisational governance theories and their implications for the governance activities of university governing bodies and which form the theoretical framework for this study.

CHAPTER THREE

CORPORATE GOVERNANCE AND THEORIES

3.0.0 Introduction

The purpose of this chapter is to examine some of the numerous conceptual descriptions and definitions of corporate governance and to outline several corporate governance theories, namely: agency, stewardship, stakeholder, managerial hegemony and class hegemony theories and their underlying assumptions as put forward by their proponents. An attempt was also made to determine how the assumptions of these theories relate to and are relevant for the understanding of the governance roles and practices of university governing bodies in the UK. It serves as the theoretical framework for the study.

3.1.0 The Meaning of Corporate Governance

Insight from the previous chapter indicate that the recent higher education governance reforms have recommended and even legislated the adoption of corporate governance practices by university governing bodies to reposition the institutions to respond appropriately to the various external and internal challenges confronting higher education in the UK. It is therefore pertinent to review the concept of corporate governance and its theoretical underpinnings and their implications for the governance roles and practices of university governing bodies.

Some scholars have attempted different definitions and descriptions of the concept of corporate governance but due to the complexity and diversity of corporate governance issues a consensual definition of the concept has been difficult to come by. Cadbury (1992) defines "corporate governance as the system by which organisations are directed

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and controlled". Taking a cue from this definition, the OECD (2004) describes corporate governance as:

> "the system by which business corporations are directed and controlled. The corporate governance structures specify the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structures through which the company objectives are set and the means of attaining those objectives and monitoring performance".

The Australian National Audit Office (1999) defines corporate governance as "the process by which organisations are directed, controlled, and held to account". Turnbull (1997) offers a definition of corporate governance by attempting to accommodate the different perspectives of the concept of corporate governance. He defined "corporate governance as all the influences affecting the institutional processes, including those for appointing the controllers and/or regulators, involved in organising the production of goods and services" (p.2). Tricker (1994) describes corporate governance as "dealing with those issues concerned with the structures, processes and practices of boards of firms and the way the boards interact and relate with the owners, executive management and the various stakeholders of the organisation including government and other regulators" (p. xi). Keasey and Wright (1997) define corporate governance as "the enhancement of corporate performance via the supervision or monitoring of management performance and ensuring the accountability of management to shareholders and other stakeholders" (p.2). Implicit in this description is the ability of the board to ensure that the management of the firm achieves the purpose for which the firm is established in order to meet the interest and expectations of both shareholders and stakeholders. Corporate governance can therefore be described as the process whereby the strategic goals and policies of an organisation,

whether for profit or not-for-profit, are formulated by the board and ensure their implementation by management in order to accomplish the purpose for which the organisation is established taking full cognisance of the interests of the various stakeholders of the firm. The board attempts to monitor the performance of management in the course of the implementation of these strategies to ensure the realisation of the set objectives.

3.2.0 Corporate Governance Theories

Turnbull (1997) argued that the diverse perspectives on corporate governance are a result of the different theoretical lenses with which analysts view the concept. The theoretical framework underlying corporate governance is based on some economic and organisational theories that have contributed immensely to the practice of corporate governance generally. However, due to the complexity and diversity of corporate governance issues, the proposed theories have not been able to articulate in any coherent manner the theoretical basis of the concept of governance and as a result there is no overarching corporate governance theory (Cadbury, 2004). A thorough search of the literature indicates that five outstanding theories form the theoretical framework for the practice of corporate governance in firms generally. These include agency theory, stewardship theory, stakeholder theory, managerial hegemony theory and class hegemony theory.

It is pertinent at this point to look at the various conceptualisations of these theories, their basic underlying assumptions and what they individually contribute to the development, understanding and practice of corporate governance by the board of an organisation in

general and university governance with reference to the governance roles and practices of university governing bodies in the UK.

1. Agency Theory: The Agency theory, first articulated by Adam Smith in 1700s in his article "The Wealth of Nations", argues that in any modern corporation there are owners called the principals and there are also managers known as the agents. The owners of the business can be an individual or a collection of persons known as shareholders who have contributed financially to the establishment of the business and therefore expect a good return on their investments and they also have ownership rights in the firm. The owners (principals) employ the managers (agents) who possess some knowledge and expertise in personnel and financial matters to administer the firm with the limited resources so allocated. The duty of the manager agent is to ensure a good return on investments to the principal while at the same time pursuing his own personal interest. The agent is assumed to be acting on behalf of and in the best interest of the owner who is the principal. Berle and Means (1932), in advocating the agency theory, noted this divergence of roles and interests between the principal and the agent. Agency theory assumes that managers will not act to protect the interests of principals but will rather pursue their own self-interest and personal gains. In this way, managers are viewed as 'maximising their own utility' when they pursue their own interests to the detriment of the interest of the principals and this may lead to 'agency cost' incurred by the principals in their attempt to ensure the compliance of managers with the interest of the principal. This action of the managers gives rise to what is called the agency problem in a corporation. In order to resolve these problems, the principal enters into a contractual relationship with the agent by aligning the interests of both parties with each other through an incentive based scheme for the agent

(Davis, Schoorman and Donaldson, 1997; Letza and Sun, 2004). Since the principal is far removed from the firm, a board is usually appointed for the firm to act on behalf of the principal. One way of checking the self-serving behaviour of the manager is for the board, acting on behalf of the principal, to periodically audit and evaluate the performance of the manager (Davis, Schoorman and Donaldson, 1997). Agency theory advocates the setting up of appropriate governance structures and processes to protect the interests of the principal (shareholders) by managers since they cannot be fully trusted to do so (Jensen and Meckling, 1976). The board also convey problems and information from the agent to the principal and vice versa (Davis, Schoorman and Donaldson, 1997). The board can therefore be seen as playing a mediating role by aligning the interest of both parties. Agency theory advocates the separation of role of the board and chair on one hand and the management and CEO on the other thereby giving the independent non-executive board a control role over the organisation. The monitoring and control roles of the governing board of a firm are fully explained by agency theory which emphasises that the board should ensure conformance of the manager with the wishes and interests of the principal (Tricker, 1994). The governance structures and processes are therefore designed to monitor and control the behaviour of the manager to make it conform to those of the principal. Clarke (2005) conceives agency theory as contributing immensely to the development and understanding of corporate governance in the 20th century.

One way in which agency theory could be used to explain the governance relationship between university governing bodies and vice chancellors is for the board to assume the position of representing the interest of the UK public and the government who provide the funds for the institutions and to ensure these funds are utilised effectively. The role of the

vice chancellor would be to utilise the funds to achieve the goals of government and the public as well as those of the institutions. The role of the governing body within the agency theory perspective would be to set the strategic direction of the institutions and to ensure the executive as represented by the vice chancellor is responsible for the accomplishment of the set strategic objectives and the performance of the university by taking the interests and wishes of government and society into consideration. The university governing body would also have the responsibility of calling the executive to account for the performance of the institution to the various constituencies and stakeholders of the university.

In summary, the governance roles of the university governing body as advocated by agency theory are to direct and control the executive to accomplish the purpose of the institution as well as to call the executive to account for the performance of the university. The control, monitoring, strategy and accountability roles of university governing bodies appear to be explained by the assumptions of agency theory of corporate governance.

2. Stewardship Theory: Proposed by Donaldson and Davis (1991) and derived from sociological and psychological theories, the stewardship theory assumes that managers are good stewards of the firm and they need to be trusted to serve the interests of the owners and the organisation. They develop this theory of corporate governance based on their opposition to agency theory which claims that there is conflict of interests between managers and owners of the firm. They maintain that there is no conflict between managers and owners, rather managers act in the overall interest of owners. They argue that the assumptions of agency theory do not always apply to a firm because some managers may not be self-serving but motivated by achievement needs. In the stewardship relationship, the interests of both shareholders/ principals and those of other stakeholders including

those of the managers are protected through the maximisation of profit for the organisation (Smallman, 2004). The main duty of the manager is to achieve the purpose for which the organisation was established since 'managers are principally motivated by achievement and responsibility needs' and would therefore derive satisfaction from doing a good job (Donaldson and Davis, 1994). The stewardship theory advocates strong support and trust for the executive management of the firm by the board. In stewardship theory perspective, the firm would appear to favour the appointment of a board that would encourage the achievement-oriented CEO to succeed in achieving the purpose of the firm. The board in this case would also play more supportive and collaborative governance roles with the executive instead of a control role. In order to play these governance roles effectively, the board under a stewardship model of corporate governance would be composed of independent members possessing diverse expertise, skills, knowledge and experience that would be required to support the executive. The stewardship theory assumes the board would be involved in the collaborative setting of the strategic direction and development of strategies of the organisation with the executive. The engagement of the board with the strategy process of the organisation is what Tricker, (1984) referred to as the performance role of the board. The board would have an active and collaborative role to play in the strategy process of the organisation.

The stewardship theory could be used to understand the role of a university governing body actively participating in the strategy process of the institution in collaboration with the executive. The governing body would jointly set the strategic direction of the organisation with the management in order to guide the latter to achieve institutional objectives.

3. Stakeholder Theory: A firm is established to serve a lot of interests including its shareholders and other people who have a stake in the organisation, commonly referred to as stakeholders. Stakeholders are all interested in the success of the organisation in achieving its set strategic objectives and overall purpose and the organisation in return affects the lives of the stakeholders with its products or services. The board and the management of a firm have a fiduciary responsibility to satisfy the varying interests of these stakeholder groups. The stakeholder theory is viewed as a sociological theory of organisation that is intended to explain the interaction between an organisation and its environment (Hung, 1998). Stakeholders can be described as any group of persons that can influence in one way or another the production of goods and services in an organisation (Smallman, 2004) and are in turn affected by the purposes and actions of the organisation. Freeman (1984) described the stakeholder as any individual or group that affect and is affected by the objectives of the organisation. Clapham and Cooper (2005) distinguished between primary and secondary stakeholders in an organisation. They described primary stakeholders as those who ensure the continued survival of the firm while the secondary stakeholders are those whose activities do not contribute in any substantial way to the survival of the organisation but they can be affected by the activities of the firm. Examples of these primary stakeholders are financiers, employees, buyers, suppliers, lenders and the immediate community of the firm. Secondary stakeholders can be competitors of the firm and society in general. So generally speaking, stakeholders are those who have an interest in the organisation and who are also affected in one way or other by the organisation.

The stakeholder theory advocates that the interests of all stakeholders of a firm should be given due consideration and such interests should be satisfied by the leaders of the

organisation. The stakeholders should also be allowed some decision making roles in the organisation but those of the primary stakeholders should be given top priority. It can be argued that any stakeholder who invests in the corporation should participate fully in the decision-making process of the organisation in order to ensure the success of the organisation (Stoney and Winstanley, 2001; Freeman, 1984). Stakeholder theory advocates the establishment of an independent, non-executive board made up of representatives from the identified stakeholder groups of the organisation in order to preserve their interests. Their role on the board would be to ensure their interest is taken into consideration in decision making and to serve as check on the executives and to make them accountable for their actions and performance. The stakeholder interests can also be guaranteed by having their representatives serve on important board committees where crucial decisions are taken on behalf of the board (Luoma and Goodstein, 1999). The representatives of the stakeholders would also be able to provide relevant information, skills and experience that could enhance decision-making and the operations of the board and those of management.

The stakeholder theory therefore advocates a mutual interdependent relationship between the various stakeholders and the organisation. Letza and Sun (2004) argue that stakeholder theory is based on the conception of the organisation as a social entity established specifically to create wealth for the owners and the provision of goods and services for all stakeholders and society at large. Luoma and Goodstein (1999) also argued that the stakeholder representation on the governing board can enhance the orientation of an organisation towards corporate social responsibility where the collective interests of the local community of the external operating environment of the firm are taken into consideration during decision-making.

The university governing bodies in the UK, as presently constituted are partly made up of some representatives of identified primary stakeholder groups of the institutions such as staff, students, local and business communities as well as some other independent members appointed from the larger society. In the Pre-1992 English universities, the university courts are made up of representatives of the identified stakeholder groups of the institutions and they in turn elect their members to represent them on the governing bodies of their institutions. The charters and statutes of these universities provide for the constitution of the university courts. The university courts appears to serve as a stakeholders' forum which meet annually to discuss the annual reports presented by the vice chancellors and the executive of the institutions and also to offer suggestions and contribute to the debates of the institutions. In the UK, university courts are a peculiar feature of Pre-1992 English universities but some Post-1992 universities have also established their own courts but without legal provisions for them. Scottish universities do not have university courts. It could be argued that higher education institutions that have provisions in their charters and statutes for the establishment of university courts are most likely to have more stakeholder representations on their governing bodies, thereby ensuring and protecting stakeholder dialogue (Thomas and Martin, 1996) and interests than universities without such legal provisions.

One major criticism of the stakeholder theory is that the organisation may lose focus of its strategic direction when attempting to take care of the interests of all groups of persons with a stake in the corporation. In trying to satisfy all stakeholders the organisation may not be able to take care of some of the important interests of its primary stakeholders. In terms of accountability, the board and the organisation could face the problem of

accounting to multiple stakeholders with divergent interests and expectations. The issue of multiple accountabilities to a diverse range of stakeholders has been observed to be one of the weaknesses of the stakeholder theory of corporate governance (Romzek and Dubnik, 1987; Edwards and Hulme, 1996).

Evidence from the literature indicates that not much is known about the appropriate context that would enhance the stakeholder model of corporate governance in a firm (Luoma and Goodstein, 1999).

4. Managerial Hegemony Theory

The managerial hegemony perspective assumes that management led by the chief executive has total control over the direction and the day-to-day operational activities of the organisation (Hendry and Kiel, 2004). The power over control of the organisation is derived from the fact there is information asymmetry between the board and management. This imbalance in power occurs because the management has more information and knowledge about the organisation than the board and it would therefore depend solely on the executive for its information needs. The management also has the power to influence the organisation especially when the board is not a direct source of funding which weakens the dependence of the executive on the board for funds (Stiles and Taylor, 2001). The lack of control over the organisation by the board makes it a legal fiction (Drucker, 1974) and puts the board in a passive position in decision-making. The board is therefore viewed as an ineffective and reactive governing body that exists merely to legitimate and 'rubber-stamp' the proposals and decisions of the executive of the organisation (Kosnik, 1987; Stiles and Taylor, 2001). It has no power to monitor the performance of the executive or

make any real input into the decisions of the organisation. One criticism of the managerial hegemony theory is that it lacks many empirical supports.

In UK universities, the vice chancellors are capable of operating under the theoretical assumptions of managerial hegemony theory because many of them are academics that have full knowledge of the academic side of the business of the universities more than the lay governors that constitute a majority in the governing bodies of these institutions. They could therefore be in a better position to determine the strategies of the universities than the governing bodies. They would also be capable of leading their governing bodies instead of these bodies leading them in the universities. The role of university governing bodies in strategic governance would appear to be limited to a more passive and reactive role and participation in the strategy process of the institutions may be limited to confirming and approving the decisions of their vice chancellors and executives.

5. Class Hegemony Theory: Following from the Marxist sociology of class hegemony theory, elites can be described as individuals belonging to the middle and upper social class of society which exercise control and power over many aspects of social, political and economic life (Adam and Tomsi, 2002). They are also persons who occupy most of the key "top positions in various social sectors such as politics, media, civil service and business" (Engelstad, 2007) and influence important developments in society. They are also capable of formulating and developing certain ideologies that can be adopted to socialise other people (Sample, 2006). The presence of these elites on governing boards of organisations has been observed by Clark (1989) and Zahra and Pearce (1989) as the forum through which the capitalist class is able to control social and economic institutions. The presence of this category of people forming a majority on governing bodies of universities could

signal a corporate takeover of higher education institutions in the UK and the subsequent institutionalisation of enterprise culture in academia as observed by Clark (1989). According to Sample (2006) and Sekulic and Sporer (2002) elites in positions of power and authority in organisations could perpetuate their likes through various recruitment procedures they adopt and which inadvertently exclude people from other segments of society. The higher education governance reforms of Jarratt (1985) and the Education Reforms Act 1988 recommended that lay members of university governing bodies should be recruited specifically from among corporate elites in business, industry and the professions. These categories of persons were to form a simple majority on the governing bodies of these institutions.

In this present study, the class hegemony theory would form the theoretical lens through which the recruitment of persons into the university governing bodies in the UK would be examined and understood.

In the next section of this chapter, I reviewed some risk theories that could enable me to understand and explain the approach to risk governance adopted by the university governing bodies in this study in their attempt to control and regulate the institutions to achieve their strategic goals and purposes in view of the external and internal challenges and pressures confronting the universities. The control role is an important governance role of governing boards of organisations. The Turnbull Report (1999) on risk management in corporate organisations was adopted by the higher education funding councils in the UK (HEFCE, 2001; HEFCE, 2005) in formulating a risk framework for the universities to enable the institutions to regulate their strategic activities. Both Turnbull (1999) and

HEFCE (2005) view risk governance as an important aspect of corporate governance of governing boards of organisations and universities.

3.3.0 Risk Theories

Individuals and organisations are exposed to many hazards, dangers and uncertainties in their everyday lives that seem to threaten their survival. These arise both as result of human activities and natural occurrences and are associated with the phenomenon of risk as observed by contemporary social scientists (Ewald, 1991; Douglas, 1992; Beck, 1992; Lupton, 1999; Mythen, 2004).

There are two major contrasting perspectives to the phenomenon of risk in the social science literature but they do not speak to each other. These are the realist (technocratic) perspective and the relativist (constructivist) view. The line of distinction between the two perspectives is made apparent philosophically (Thompson and Dean, 1996). I am going to outline the debates about these two perspectives of risk as well as the relationship between them and how they could be applied to the governance of the strategic risks of higher education institutions by university governing bodies.

3.3.1 The Realist Perspective

The realist perspective which is based on the positivist paradigm derives its meaning from the disciplines of 'science, engineering, economics, medicine and epidemiology' (Lupton, 1999). Within these disciplines and in the realist perspective as well as the positivist paradigm, risk is viewed as an objective and factual reality or phenomenon that exists in the physical 'real' world and which needs to be identified and calculated and to determine the severity of its effect in order to mitigate or control it using actuarial science methods (Bradbury, 1989; Beck, 1999; Lupton, 1999; Stahl, Lichtenstein and Mangan,

2003; Zinn, 2006). The Royal Society (1992) also reported the existence of 'objective risks' in any situation which people and groups respond to accordingly (Lupton, 1999). Frank Knight (1921), a realist, attempted to make a distinction between the concept of risk and uncertainty in terms of probability or possible outcomes of events. He argued that in risk, both the distribution and probabilities of outcomes are known while in uncertainty only the probabilities of the outcomes are unknown. He explains that when an event occurs once and for the first time the outcome is uncertain but when it occurs several times the outcomes become known and it turns into risk. In this manner, uncertainty has transformed into risk. This appears to indicate that uncertainty is a much bigger threat to existence than risk. Risk can therefore be described in a technocratic sense as the likelihood that something unexpected or major will happen to an individual or organisation as a result of changes taking place in the environment (Redmill, 2002; Royal Society, 1992). Risk has been described by Cassidy et al (2003, p. 2) as "any issue that affects an organisation's ability to meet its objectives".

Theorists adopting the technocratic approach believe in the use of experts to measure and calculate risk based on the principles of probability and statistics (actuarial science). This type of technocratic approach assumes a rational method of risk assessment and evaluation. According to Bradbury (1989), a distinction between fact and value is usually made in technocratic risk assessment. The value-laden judgements of the expert risk analysts are often neglected by the realists despite their acknowledgement that human judgement is not value-free (Bradbury, 1989; Lupton, 1999 Shrader-Frechette, 1991). In my view risk perception is not value-free and therefore cannot be treated as an objective reality as described by technocratic risk assessment. The realists often

discountenance lay people's perception and approach to risk determination which they argue are influenced by social and cultural processes which are based on value judgements rather than on factual information and are therefore 'biased, subjective, inaccurate, unscientific and full of errors' as compared to those of experts that are viewed to be more factual, accurate, objective and scientific (Lupton, 1999; Beck, 1999, Bradbury, 1989; Beamish, 2001). The realists "view risk avoidance as rational and risk taking as irrational" (Bloor, 1995 cited by Lupton, 1999, p. 21). However, the realist view based on the positivist paradigm which depends on technical calculations of risk has been the traditional and dominant approach to risk management in social science literature (Lupton, 1999; Beck, 1992; Stahl, Lichtenstein and Mangan, 2003) and especially in business. The overemphasis by realists on the taking of rational action to determine risk has been criticised by relativists (socio-cultural theorists) such as Douglas (1985) and Beck (1995) as inconsistent with the sociocultural dimension of human judgement, since people do not live in a rational world.

3.3.2 The Relativist Perspective

The other main theory of risk is the relativist perspective which is also known as the socio-cultural perspective. Its origin lies in the social science disciplines of sociology, cultural and social anthropology, philosophy and cultural geography (Lupton, 1999; Tierney, 1999). In this perspective, Beck (1992) described risk as a "systematic way of dealing with hazards and insecurities induced and introduced by modernisation itself" (p.21). In this sense, Beck (1992) and Douglas (1992) perceive risk as a cultural strategy for transforming uncertainties about the future into something that can be managed.

This relativist perspective challenges the objectivity and the neglect of value-judgements in risk assessment by the realists and risk experts. They are of the view that the way people perceive things (way of seeing) is dictated by a cultural pattern and what people discern as risk in one cultural milieu may be different from those of persons in another socio-cultural environment. So risk is perceived as a socially constructed phenomenon (Douglas, 1985; Lupton, 1991; Fox, 1999).

Two socio-cultural perspectives on risk are discussed and these are the cultural perspective advanced by Mary Douglas (1985) and the 'risk society' thesis put forward by Ulrich Beck (1992)

1. Cultural Theory of Risk

The main proponents of the cultural perspective of risk are Douglas and Wildavsky (1982). The cultural theorists are of the view that risk perception by people is influenced by human experience as well as social and cultural structures and systems (Douglas and Wildavksy, 1982; Bradbury, 1989; Lupton, 1999; Beamish, 2001). This means that people's knowledge about risk is dependent on the sociocultural context in which it is taking place irrespective of whether they are experts or lay persons. This perspective challenges the claims of objectivity of the technocratic approach to risk analysis as do all relativist perspectives and that subjective value judgements are common to both expert and lay analysis of risk. The cultural theorists are of the view that risk management should involve the collaboration and participation of both experts and lay people with diverse perspectives on risk (Bradbury, 1989). This appears to imply that both lay and expert views and judgements are equally accurate and important in the assessment of risk (Shrader-Frechette, 1991, Thompson and Dean, 1996; Lupton, 1999).

2. Risk Society Theory

Another relativist perspective on risk proposed by Ulrich Beck (1992) is the "risk society" thesis which argues that capitalist activities such as industrialisation and technological innovation have produced so much risk in modern society of which some cannot be controlled by scientific means and which has threatened people's existence. The industrial society has become a "risk society" as a result of the risk produced by modernisation which cannot be controlled by any means and people now live in a risk society (Beck, 1992; Beck, Giddens and Lash, 1994). This has resulted in so much awareness of risk among individuals and organisations in modern society because risk has pervaded everyday life and people are forced to deal with the after effects of risks that they cannot control in their daily lives (Beck, 1992; Lupton and Tulloch, 2002; Luhmann, 1993). In a study conducted by Lupton and Tulloch (2002), the participants perceived risk as the defining aspect of people in their daily life. The main problem is how individuals, organisations, institutions and government can deal with risk by either preventing or mitigating its effect (Lupton, 1999). In modern society, as risk and uncertainty multiply the technical analysis of risk and the institutions established to assess and regulate risk (i.e., the relations of definition) have been criticised by the public for their inability to deal with risk (Mythen, 2004). Beck (1992) contended that the perception of lay people affected by environmental risk is not usually taken into consideration by the risk regulating institutions.

Beck (1995) also argued that both objectivism and relativism have valid but divergent perspectives of risk and that the two views are all value-laden. He is of the view that "the decision whether to take a realist or constructionist approach (to risk) is for me a rather

pragmatic one, a matter of choosing the appropriate means for a desired goal (Beck, 2000, p. 211). This appears to suggest that Beck (1995) integrated both realist and relativist perspectives in his "risk society" thesis which he labels the sociological perspective (Mythen, 2004; Lupton, 1999). Beck also contends that individuals and groups do not really understand the potential amount of risk they are exposed to in their daily lives as a result of technological innovations and so cannot determine them accurately by any particular means. Beck also maintains that individuals have become more reflexive due to anxieties about the increase in risks which emanates from modernisation and living in a risk society.

The two socio-cultural perspectives on risk discussed have certain elements in common as observed by Lupton (2000). Firstly, risk is viewed as having become a part of the everyday political, social and cultural life of people. Secondly, risk is perceived as a phenomenon that can be managed by humans but only up to a point because there are uncertainties in everyday life. Thirdly, risk is concerned with people making choices and being responsible for their own actions (i.e. self-regulating individuals). However, most of the theoretical formulations on risks by the various theorists appear not to be based on any empirical data or to have been tested in relation to such data. They have also been rarely examined empirically with respect to university governing bodies.

Both the realist and the relativist perspectives are attempts by risk theorists to develop frameworks for the management of the everyday risks that confront individuals, organisations and institutions in contemporary society. The difference between both perspectives depends on the 'way of seeing' by both sets of theorists.

3.4.0 Risk Governance in UK Universities

The external and internal environment in which UK universities operate has become unstable and unpredictable resulting in various types of risks that could affect the strategic directions and strategies of these institutions developed to accomplish their purposes. There is now a much greater emphasis in these institutions on the identification, management and governance of risk since 2001 when the Higher Education Funding Council for England first proposed a risk management guide for adoption by universities to ensure the achievement of the strategic goals of the institutions and also to fulfil the purpose for which government have been funding these institutions. The management and governance of risk is to provide the assurance that the strategic goals of the institutions would be realised.

In the literature of university governance in the UK, there is a dearth of empirical studies on the perception of risk by university governors and the role their governing bodies play in the governance of the strategic risks of the institutions. Bargh et al (1996) did not investigate the phenomenon of risk in their study of university governing bodies in the UK. The study conducted by Deem and Johnson (2003) on manager-academics in UK universities did look at risk but from a managerial rather than a governance perspective. This gap in the empirical literature could be as a result of the relative newness of this governance practice by university governing bodies in the UK. This study attempted to examine these issues as well as to determine which risk perspective (realist or relativist) pre-dominates in the governance and management of risks in the seven universities in this study. The risk perspectives discussed above would enable me to do so. Risk governance is different from risk management. Risk governance is the responsibility of the university

governing body and is concerned with ensuring the executive engages in the determination and management of the diverse risks associated with the strategies of the institutions and to make certain that the risk management process is effective in accomplishing the strategic direction of the institutions.

3.5.0 Conclusion

This review set out to examine the meaning of corporate governance as well as the various corporate governance theories that appear to be relevant to the governance activities of university governing bodies in the UK. Corporate governance was perceived generally as the way an organisation is governed and controlled by a governing board to achieve its set strategic purpose through various structures and processes.

Five main corporate governance theories namely agency, stewardship, stakeholder, managerial hegemony and class hegemony theories were examined and how each theory relates to which aspect of the governance activities of university governing bodies in the UK was explored. It was observed that there is no overarching theory of corporate governance that could explain the whole governance roles and activities of university governing bodies as each theory appears to explain some aspect of the governance work of these bodies.

I have explored the various views about risk by identifying two competing perspectives in the literature, namely, the realist and the relativist views and highlighting the main differences between them. I also explored the different relativist theories such as cultural theory of risk (Douglas and Wildavsky (1982) and risk society theory (Beck, 1992). I intend using these risk theories to explain and interpret the university governors' perception of risk and the approach to risk governance adopted by the seven university

governing bodies in this study. From a review of the literature, I observed the dearth of empirical studies on the risk governance role of university governing bodies in the UK. This study therefore intends to contribute to knowledge in this unexplored area of university governance.

These corporate organisational theories would be used to interpret and understand various aspects of the governance activities of the university governors and their governing bodies in this study since there is no single overarching theory that can explain all aspects of a corporate board governance as revealed in the literature.

In the next chapter, I reviewed and discussed some of the governance processes and practices of organisations with particular reference to higher education institutions in order to understand the main issues and identify the gaps in the literature.

CHAPTER FOUR

GOVERNANCE PROCESSES AND PRACTICES

4.0.0 Introduction

In this chapter, I reviewed the theoretical and empirical literature on the motivations of people to voluntarily participate in organisational activities as well as some motivational factors that have emerged from undertaking such activities by individuals. I also explored the literature on the strategy role of governing boards of organisations and the theoretical debates and one model on boards' participation in the strategy process of their organisations. This subsequently led to my examining the concept of accountability and the accountability of university governing bodies within the context of the renewed call by the UK government for public bodies to be more accountable for the services they render to society. Following from that, I examined the issue of review of effectiveness of performance of governing boards and the various elements that constitute such effectiveness.

The purpose of the review is to draw out the main themes and ideas from the various aspects of board governance in order to inform the aims of this study, the theoretical framework for the research, the research questions and the understanding of the governance activities of university governing bodies in this study. The chapter is organised into four sections dealing with motivation, strategy, accountability and performance review of governing bodies of organisations and universities in that order.

4.1.0 Motivation to Participate in Organisational Activities

In this review of the motivation for participation in voluntary activities in organisations, I have attempted to establish a link between citizenship, participation in organisational

activities and lay governance as they affect the reforms of higher education governance in the UK. The review also explored the relevant theoretical and empirical literature in order to identify the various factors motivating lay people to engage in voluntary activities in groups and organisations. Such a review may enable us to understand why people participate in voluntary activities and why an understanding of their various motivations can help improve the composition and governance capacities of governing bodies of universities.

4.1.1 Citizenship, Participation and Lay Governance

The idea of citizenship and participation in a democracy is well entrenched in the philosophy of UK government provision of public goods and services and voluntary participation in the voluntary sector of the economy. The concept of citizenship and participation in a contemporary democracy is to empower citizens to have greater control over the provision of goods and services they consume (Bargh, Scott and Smith, 1996). The participation of citizens in the form of lay involvement in the governance of universities in order to control the provision of educational services is as old as the history of the establishment of the 'civic universities' in the UK in the 19th century. The governing bodies of these universities were composed of local professionals and business people (described as lay people) who formally applied for and obtained a Royal Charter to establish and fund the institutions (Bargh et al, 1996). In the 21st century, the growing importance of university governing bodies in directing and controlling these institutions to achieve their purpose has increased with the emergence of enterprise culture and the subsequent managerialisation of the institutions which are an extension of the wider reforms taking place in the public sector (Bargh et al, 1996, Deem, 1998). The voluntary

participation of lay persons in the governance of schools has been depicted by Deem et al (1995) as a 'career' in active citizenship for these individuals. Governing bodies of schools and universities are a few of the existing spaces where people can practice active citizenship (Deem et al, 1995; Bargh et al, 1996) and to be involved in undertaking voluntary democratic activities, protecting the interest of society and contributing towards the development of an important public institution.

The role of lay persons in the governance of universities received even greater attention in the higher education governance reforms beginning with the Jarratt Report (1985) and the Education Reform Act 1988. They recommended that university governing bodies should be lay-dominated and that they should be recruited based on their possession of certain skills and experiences that could enable them to play a more active role in the universities as well as to establish a corporate culture of governance and management in the institutions. It appears one way of establishing such a governing body is through the recruitment of persons whose motivations could match the values, aspirations and strategic goals of the university. Golensky (2002) had argued that one particular challenge in the recruitment process is how to identify and recruit board members that are intrinsically or altruistically motivated to serve in a governance capacity in organisations.

4.1.2 Motivation for Participation

Motivation as used in this study is the reason(s) responsible for someone to exhibit a particular behaviour or take specific action. Motivation can therefore be described as needs within an individual that drive a person to take an action that is directed at achieving a goal. Members of university governing bodies are usually people who voluntarily give of their limited time, knowledge, skills and invaluable experience for no

remuneration whatsoever to participate in the governance activities of their universities. Deem et al (1995) and Bargh et al (1996) argued that people who voluntarily participate in such activities without receiving any remuneration have diverse reasons or motivations for doing so. Taylor, Chait and Holland (1991) quoted Etzioni (1988) as predicting that the motivations for participating in the activities of a group affect the quality of participation and that those who are "morally committed will behave differently from those who do it purely out of self-interest" (p.52). Motivation is therefore linked with the commitment of persons to certain ideals of the organisation in which they want to voluntarily participate to achieve. Dingle (2001) writing a report for the Independent Sector in collaboration with the United Nations specified the criteria for volunteering as (i) non-receipt of financial reward by the volunteer, (ii) the cost of volunteering should not exceed cost of hiring labour for the same purpose and (iii) the volunteer should undertake the activity on his/her own volition and not by coercion. An important point to note from these criteria is that it appears persons with low socio-economic background may not be able to participate in volunteering activities.

Only very few studies have examined the motivations of people who volunteer to serve in governance roles on the boards of organisations (Inglis and Cleave, 2006; Taylor, Chait and Holland, 1991). Most of the studies were conducted in North America especially in the area of nonprofit organisations. Extensive studies conducted in the UK in both public and private sector organisations are virtually non-existent. Studies on motivation for participation in higher education governance are few in the UK. Bargh et al (1996) made some mention of the motivations of members of university governing bodies for voluntarily participating in institutional governance as part of their larger study that

explored the governance styles of post-1992 and pre-1992 universities. Taylor, Chait and Holland (1991) studied the relationship between trustees' motivation and the effectiveness of boards of private colleges in the US. Deem et al (1995) also examined the motivations of three school governors for participation in the governance activities of schools.

Studies conducted in the area of motivation for voluntary participation usually set out to examine the motivational factors influencing the voluntary participation of people in the activities of groups or organisations. One specific question the researchers sought to explore but asked in different ways is "Why do people participate in voluntary activities?" Understanding the motivations of people who want to voluntarily participate in the activities of any organisation could enable these institutions to match their reasons to the type of governance activities they intend to carry out in order to enable them contribute effectively to the development of such bodies or organisations (Taylor et al, 1991). However, the motivation of the volunteer alone may not be enough to ensure effectiveness of the performance of the individual in organisational activities. An understanding of the role to be performed in conjunction with the individual motivation could to a large extent determine the effectiveness of the performance of a volunteer.

4.1.3 Motivational Frameworks

A review of the relevant literature reveals that the most common approach adopted for the theoretical and empirical study of the motivation of persons who participate in voluntary activities is the use of theoretical motivational frameworks (Widmer, 1985; Inglis, 1994; Clary et al, 1998; Inglis and Cleave, 2006). Such frameworks are developed by conceptually grouping together related motivational factors of persons who participate

voluntarily in group activities. This would enable us have fewer meaningful categories or generalisations with some unique identity that is common to all the factors within the same group but different from the factors in all the other groups. However, the consensus among the researchers is that motivational frameworks are useful for exploring the motivations of people who voluntarily join groups and organisations to participate in their activities either in direct service or in a governance capacity.

4.1.4 Motivational Factors and Empirical Findings

The motivational factors presented below are those found as a result of a review of the theoretical and empirical literature. It focused mainly on the motivation of people for participating in voluntary activities generally in order to aid our understanding of why people voluntarily participate in the governance activities of their institutions.

1. Development Factors: Empirical studies conducted in the nonprofit sector shows that people who voluntarily participate in the activities of groups and organisations are motivated by the need to contribute to the development of these bodies and through such participation to also help to bring some improvement to their immediate communities and society at large. Inglis and Cleave (2006) in their study of the determinants of the motivation for participation of members of boards of 58 nonprofit agencies in Canada, using motivational frameworks developed by Searle (1989), Inglis (1994) and Clary et al (1998), and adopting both quantitative and qualitative techniques in the analysis of their data found that respondents were motivated to participate in order to contribute to the development of the organisations. This particular motive was reported to be considered most important to the respondents for participating in the governance of the agencies.

Inglis and Cleave (2006), Widmer (1985) and Wandersman et al (1987) also identified in their studies that board members were motivated to serve in governance capacity because they want to use the opportunity provided for voluntary participation to contribute to the development of their communities and society.

In studies on motivations of members of governing bodies conducted in educational settings such as schools, colleges and universities by Deem et al (1995), Taylor et al (1991) and Bargh et al (1996) respectively, the authors found that lay governors and trustees of the governing bodies of these institutions were motivated to serve in order to contribute to the improvement and development of the governing bodies and the institutions in general. The motivation to contribute to the development of the organisation and the society by voluntary participants has been described as an altruistic behaviour or attitude by Inglis and Cleave (2006) and Smith (1981).

2. Efficacy: Smith (1994) in his review of relevant literature, Widmer (1985) in her study of directors of boards of nonprofit organisations in the US and Wandersman et al (1987) in their independent study of the motivation for the participation of people engaged in voluntary neighbourhood activities, found that they were motivated to participate because they think they have the skills, knowledge, experience and expertise to influence change in their organisations. This type of motivating factor is described as efficacy in the literature of voluntary participation in organisational activities. Inglis and Cleave (2006) also found efficacy to be a motivating factor among members of boards of organisation which they classified under the motivational component "Unique Contribution to the Board". Board members were quoted as saying that they were motivated to serve because

of the "opportunity to bring my skills and expertise to the board" and "the different perspectives and experiences I bring to the board" (p.93).

Bargh et al (1996) also found elements of efficacy among the reasons university governors participated in institutional governance. External lay governors were observed to have rated this motivational factor as being more important than internal members of the governing bodies.

3 Personal Benefits: One of the most common motivational factors influencing the participation of people in voluntary activities is the perceived benefits derivable from such participation. Such benefits may be tangible or intangible rewards or incentives that are expected to accrue to a person for participating. These particular motivational characteristics are not directed at 'others' or the organisation or society, rather they are self-directed and the purpose is for the personal development and enhancement of the status of the participant in order to make the individual feel good through participation. Wandersman et al (1987) viewed such motivational factors among their participants as feelings of satisfaction. Widmer (1985) observed that her respondents were motivated to participate by material benefits such as the opportunity to develop professional knowledge and skills. Inglis and Cleave (2006) in their study described personal benefit motivational factor as 'Enhancement of Self-Worth'. Clary et al (1998) in their study identified opportunity for the individuals to make new business contacts and other career rewards as motives for voluntary participation. Lorsch and MacIver (1989) cited by Burke (1997) found personal motivational benefits to include the "opportunity to learn, seeing new businesses, establishing contacts to enhance other business relationships, the opportunity to contribute to society and compensation" (Burke, 1997, p. 119).

4 Relational Factors: The symbolic interactions between voluntary participants and their organisations themselves have been perceived as important motivational factors for joining organisations by participants. Such interactions or relationships may come in the form of an existing business collaboration or social relationship between the individual and the organisation as reported by Smith (1994). The study on the motivation of trustees by Taylor, Chait, and Holland (1991) found that the majority of the members of effective boards had previous close connections with their colleges while only very few members of ineffective boards had such close ties.

5 Representational Factor: Bargh, Scott and Smith (1996) in their study of university governing bodies in the UK observed that the majority of internal members perceived that they were motivated to join their governing bodies because they were elected by their various constituencies to serve as their representatives on these bodies. Such constituencies include the various staff bodies, senate and university court (as in the case of English universities). This motivation was considered one of the least important reasons for participating in university governance.

6 Employment-Related: Employment-related motivations are concerned with the direct relationship between the full-time or part-time jobs of the voluntary participants to the services rendered by the organisation in which the voluntary work would take place. Those who were motivated to participate as a result of job-related incentives were identified by Widmer (1985) as being professionals in one organisation who want to develop their professional knowledge through participation in such activities in another firm.

7. Cultural Values: The role of culture in the motivation of people to engage in certain social activities has been identified by Luthans (2002). He contends that cultural differences do influence the motivations of people to take up certain social and job-related responsibilities and which also affect their performance. Luthans (2002) affirmed that what motivates an individual to engage in a particular social activity in one culture may not be a motivator for another person in a different culture.

In summary, the relationship between citizenship, participation and lay governance in UK universities was highlighted. It was observed from the empirical studies reviewed that people voluntarily participate in organisational activities because they were motivated by a number of reasons which could engender commitment to the values of the organisation. Only few studies such as those of Bargh et al (1996) and Taylor, Chait and Holland (1991) had investigated the motivation of members of governing bodies of universities and colleges. Most of the researchers in this area adopted various motivational frameworks to examine the motivation of voluntary participants in organisational activities. The motivational factors identified from the review of literature include developmental, efficacy, personal benefits, relational, representational, employment-related, contextual and cultural factors.

However, more research needs to be conducted in the area of motivation of university governors in the UK especially within the context of the changes that are taking place in the institutions. In the next section, I review the strategy role of governing boards in the strategy process of their organisations as well as one model for participating in strategy by boards.

4.2.0 The Strategy Role of Governing Boards

The purpose of this review is to examine the theoretical and empirical literature on the strategy role of governing boards of business and educational establishments. Due to the limited nature of the theoretical and empirical literature on the strategy role of governing bodies of educational establishments this review will draw mostly from the literature of business organisations. It is assumed that some of the views and research findings on the strategy role of boards of business organisations may apply to those of higher education institutions in view of the fact that business practices are being adopted to govern and manage these institutions. Though, this view might be contentious since universities are somehow different from business organisations in terms of their culture and multiple and sometimes ambiguous goals. The higher education governance reform report of Jarratt (1985) and the corporate governance reform report of Cadbury (1992) in the private sector have exercised profound influence on the practice of governance and management of higher educational institutions in the UK since the early 1980s (Shattock, 2006). Specifically, the Jarratt Report (1985) recommended a restructuring of the composition of university governing bodies to accommodate more lay persons with skills, knowledge and experience that is needed in the universities to enable them to play a more active role especially in determining the strategies of the institutions and to engage fully with resource allocation to enable the universities to achieve their purpose. Each governing body was required to have a planning and resources committee in order to integrate strategy with financial planning issues. This ensures the incorporation of the strategy role into the governance role of university governing bodies. Even in business organisations,

board members are recruited from business and industry mainly for their ability to contribute to the strategy of the organisation (Greer and Hoggett, 1999).

Organisations including universities now operate in an external environment that is increasingly becoming uncertain and competitive more especially with the challenges imposed by globalisation and market principles. Moreover, in the higher education sector, the cuts in funds allocation by government to the institutions in the 1980s and the widening participation agenda of government which greatly expanded the universities and turned them from elite to mass higher educations institutions combined to make strategic planning imperative for the universities. In order to cope with the challenges and demands of the external environment, organisations appear to assess the various threats that are hostile to its existence and seize the opportunities that would enhance their survival after taking into consideration their strengths and weaknesses through both an emergent and deliberate strategy process. Porter (1980) argued that organisations should position themselves through the strategy process to enable them to withstand competition or turbulence in both their internal and external environments. There is also a prevalence of the discourse of strategy in business organisations (Greer and Hoggett, 1999) and in higher education institutions (Bargh et al, 1996; Rowley, Lujan and Dolence, 1997; Jarzabkowski, 2005). Strategy has been described as a means or a plan of action by which an organisation is developed and positioned to withstand the challenges of the dynamic changes in its environment that may affect its development, competitive advantage and survival through the use of its scarce and limited resources (Greer and Hoggett, 1999; Porter, 1980). It can also be described as a "pattern in a stream of actions" (Mintzberg, 1990). Following from the Mintzberg's definition, Jarzabkowski (2005) gave an extended

description of strategy as a "pattern in a stream of goal-directed activity over time" (p. 40). This definition is consistent with the activity-based perspective that views strategy as a socially constructed practice that is intended to achieve desired future-oriented goals through some form of deliberate activities in an organisation (Jarzabkowski, 2005).

Organisations exist for a purpose and to fulfil that end they engage in a deliberately planned course of action and are directed and controlled to achieve that end. The course of action or activity is usually undertaken by individuals at various levels in the organisation but co-ordinated by top-management where they interact with the various groups to shape the content and conduct of strategy (Jarzabkowski, 2005). Traditionally, strategy activities fall within the management role of the executive, but there is a growing tendency for governing boards to be statutorily charged with the responsibility of determining the future strategic direction of the organisation and to ensure the management accomplishes it by developing and implementing various strategies. The involvement of boards in strategy matters is increasingly becoming an aspect of their governance role but there is relatively little consensus in the literature as to the nature and extent of their involvement (Hendry and Kiel, 2004; McNulty and Pettigrew, 1999).

4.2.1 Model of Board Participation in Strategy

McNulty and Pettigrew (1999) observe a significant gap between the prescriptive literature that boards should actively engage in strategy and the little empirical literature which found that boards actually and actively engage in strategy. In their investigation into the contributions of boards to strategy found that they actually get involved in strategy matters, despite the assumptions of managerial hegemony theory that it is management that directs the whole strategy process in organisations and that the role of

boards is mostly to approve the proposed strategies of management. They proposed a model of board participation in strategy and identified three levels where boards get involved in strategy as including "taking strategic decisions, shaping strategic decisions and shaping the content, context and conduct of strategy" but that the extent of involvement of governing bodies differ along these three levels in the strategy process. McNulty and Pettigrew describe the model as follows:

Taking Strategic Decisions: In the strategy process of the organisation, taking strategic decisions entails board members and the board approving, rejecting or referring for modification the strategic proposals presented by the executive. In taking strategic decisions, board members perform a decision-making role and this is the first and only time the board comes in contact with the strategic document. McNulty and Pettigrew (1999) observe that all boards take strategic decisions. They described taking strategic decisions as the lowest level of involvement of board members in the strategy process of the organisation.

Shaping Strategic Decision: At the level of shaping strategic decisions, the executive consults with the board members during the preparation of the draft strategies of the organisation. The board members would have the opportunity to question some of the ideas and decisions of the executive, give the executive some advice on strategy and the executive takes these views into consideration when preparing the final draft strategic document for subsequent presentation to the board for approval. McNulty and Pettigrew (1999) are of the view that only some boards have the opportunity of getting involved at this level and contributing to shaping the strategic decisions of the executive. The board members are more actively involved in contributing to the development of strategy at this

level and they help to influence the strategic thinking of the executive prior to the preparation of the final draft strategic document. Boards who get involved in 'shaping strategic decisions' also get involved in 'taking strategic decisions'. Their activities are limited to these two levels only in the strategy process.

Shaping the Context, Content and Conduct of Strategy: According to McNulty and Pettigrew (1999) only few boards participate in the strategy process up to this level. This is the highest level of involvement of board members in the strategy process of the organisation where they set the parameters for the development of strategies in the organisation. They also decide on how the strategies should be developed as well as the processes for monitoring the achievement of the strategic focus of the organisation. Boards and their members that operate at this level are also involved in the previous two levels. They shape the context, content and conduct of strategy, shape the strategies of the organisation and also take strategic decisions by approving the final strategy document submitted by the executive.

In this present study, this model would be utilised to examine the extent to which the university governors and their university governing bodies get involved in the strategy process of the institutions.

4.2.2 Passive and Active Strategy Debate

There is a debate in the literature of board governance as to whether boards should participate in the strategy process of the organisation or not. This is referred to as the passive and active debate in strategy. The passive school of thought views the board as an approval body for the strategic decisions of management. This view receives the support of the managerial hegemony theory which assigns a more active decision-making role in

an organisation to the CEO and the executive. According to this perspective, the executive determines the strategic direction and the strategies of the organisation and presents them to the board for approval. The board only gets involved in the strategy process when a strategy document has been presented to it by the executive and their only role is to review and approve it. In this case, the board is passive and reactive to the strategic decisions of the executive. They do not initiate or contribute to the determination of the strategic direction and the strategies of the organisation. The proponents of this perspective are Herman (1981), Stiles and Taylor (2001) and Mace (1971).

The active school of thought perceives the board as playing an active role in setting the strategic direction, contributing to the content of the strategies and also deciding the parameters within which strategic planning takes place within the organisation and this view receives support from the assumptions of the agency and stewardship theories perspective (Golden and Zajac, 2001; Hendry and Kiel, 2001). Within this perspective, the board and the executive collaboratively determine the strategies of the organisation but they do not get involved in the implementation of the strategies, which is the responsibility of the executive. Boards that adopt the active approach to strategy give their members the opportunity to contribute to the strategies of the organisation. The board in this regard plays a crucial leadership role in the organisation through the engagement with the strategy process. Proponents of the active role of board in strategy are Finkelstein and Hambrick (1996), Golden and Zajac (2001), Hendry and Kiel (2004) and Pearce and Zahra (1991). The Jarratt Report (1985) also favours the participation of university governing bodies in strategy but through a strategy committee. In this case,

most of the lay governors may not have the opportunity to participate in the strategy process.

The prescriptive literature favours an active role for boards in the strategy process especially in the formulation of the strategic direction of the organisation and the shaping of strategic decisions of the executives rather than the passive-reactive role described above. Lorsch (1989) and Farrell (2005) in their studies observe that board members do really want to get involved in strategy but are somehow constrained by certain factors. Andrew (1980) even recommended a collaborative planning of strategy between the board and executive management because of the quality of human resource available on boards of organisations. But boards appear to participate more actively in determining corporate level strategy which involves determining the vision, mission and values and also to maintain the strategic focus of the organisation so that executive management is left with the responsibility of planning the business strategy within that framework (Stiles, 2001) rather than engaging in business strategy, which is in the domain of the executive. This may help to create the much sought distinction between governance and management roles in organisations.

Bargh et al (1996) in their study of governing bodies of UK universities identify the strategy role as the most important governance role performed by these bodies based on the perceptions of the university governors and which they anticipate participation to increase in the future. They, however, described the involvement of university governing bodies in strategy as mostly reactive. Farrell (2005) in her empirical study of some school governing bodies in the UK concluded that they are mainly reactive in terms of their

strategy role and that their involvement in strategy matters is limited to approval, rejection or modification of the strategic proposals of the head-teacher.

Almost all the empirical studies conducted in educational institutions in the UK observe the passive-reactive involvement of governing bodies in strategy matters (Farrell, 2005; Bargh et al, 1996; Bennett, 2001). But the same cannot be said of boards of business organisations whose involvement in strategy range from passive to active (McNulty and Pettigrew, 1999; Hendry and Kiel, 2004; Stiles and Taylor, 2001; Golden and Zajac, 2001).

In summary, the review highlights the emergence of the strategy role of university governing bodies in the UK and the need for them to engage in strategy. I also described the concept of strategy and a model of board participation in strategy as well as the passive and active debate concerning the strategy role of governing boards. I observed that only Bargh et al (1996) had conducted an empirical study on the strategy role of university governing bodies in the UK and found that they play a mostly reactive role in the strategy process of the institutions. In this present study, the strategy role of the university governing bodies would be explored based on the passive and active dimension of board role in strategy and the extent of the participation of the governors in the strategy process would be examined through the McNulty and Pettigrew (1999) model of board participation in strategy.

In the next section, the concept of accountability and the accountability of university governing bodies were reviewed in the light of the increasing demand by government that public institutions and bodies should be accountable for their performance.

4.3.0. The Accountability of University Governing Bodies

This section attempts to explore the historical and policy antecedent of accountability in the UK public sector and higher education. It examines the concept of accountability generally as well as the accountability relationship between government and the universities and the role of the university governing bodies in the accountability process of their institutions. The section also considers some empirical studies that have been conducted on the accountability of governing boards of business and educational institutions generally in order to expose the gap in the literature of university governance.

4. 3. 1 UK Government and Demand for Accountability

There has been a renewed concern and emphasis on accountability in the UK, right from the early 1980s, as a result of the emergence of a new 'audit society' (Power, 1993; 1997) and 'new managerialism' (Clarke et al 1994). The late 1980s, witnessed the advent of 'New Public Management' (Hood, 1991) as a management philosophy adopted by the Conservative government of the Thatcher administration (1979-90) in the UK for the reform of public institutions in order to improve their performance in delivering public services to society. Newman (2000) described the reforms as an attempt to redefine the "relationship between public and private sectors, professionals and managers, and central and local government" (p.3). The traditional autonomy of professionals as producers of services and as representing and protecting the interests of citizens was challenged and reversed in the reform arrangements because they were perceived by the New Right as 'monopolistic, self-serving and not accountable in any form' (Clarke and Newman, 1994; Deem et al, 1995). The whole concept of self-accountability based on autonomy and moral authority of professionals in service delivery was perceived as inadequate by

government and society. There was greater demand for increased transparency and accountability from professionals for their actions and performance. Humphrey et al (1993) and Deem et al (1995) argued that the 'New Right' and 'neo-liberals' in conjunction with the Thatcher administration in the UK were intent to improve efficiency and effectiveness of the performance of social services provisions through the reform of public institutions by the prescription and adoption of managerial practices of private sector organisations in order to bring about the desired change. Public institutions were being transformed from a 'producer-dominated' to more 'consumer-focused' organisations (Deem et al, 1995; Newman, 1998).

The New Labour government under Tony Blair in 1997 continued the NPM philosophy of reforming public sector institutions which was started by the Conservative government in the 1980s by proposing its own modernisation agenda which was intended to modernise the functioning of public institutions to meet the demands of a modern economy and society (Clarke and Newman, 1997; Clarke et al, 2000, Deem and Brehony 2005). The language of 'effectiveness, efficiency, value-for-money, performance indicators, resource management, devolved budgets and internal markets' were perceived as the organisational practices that are associated with the new ways in which the public sector should be managed (Deem and Brehony, 2005). This was also aimed at increasing the efficiency and effectiveness of public institutions and their professionals in delivering public service to users and other stakeholders and to be accountable to them (Newman, 2000).

Accountability was associated with the culture of managerialism and the discourse of value for money was instituted in public institutions by government (Flinders, 1995;

Gibbons, 1998; Deem and Brehony, 2005; Newman, 2000). The reforms were intended to enable professionals in public institutions to respond more to the needs of the users of their services and products and to make them more transparent and properly accountable to government and society.

Despite the appeal of management technologies such as accountability as a control mechanism, Humphrey et al (1993) observed some failures of this management approach in driving neo-liberal ideology of efficiency gains in the private sector which is still being recommended for adoption by public institutions. For example, they cited the failure of audits in the corporate world which is being advocated for use in public institutions and this represents a paradox in the neo-liberal ideology that is concerned with promoting efficiency. This paradox is even made more evident in the appointment of audit committees for governing boards of organisations through the recommendations of various corporate governance reports and codes of practice.

4.3.2 Meaning of Accountability

Over the years, the meaning of accountability has become increasingly blurred and ambiguous with various individuals ascribing different interpretations to the concept depending on the context in which it is taking place (Poulson, 1998; Savage and Moore, 2004; Opfer, 2001, Mulgan, 2000; Berdahl (1990). Trow (1996) describes accountability as "the obligation to report to others, to explain, to justify, to answer questions about how resources have been used and to what effect" p. 310. Kogan (1986) in his analysis described accountability as "a condition in which the individual role holders are liable to review and the application of sanctions if their actions fail to satisfy those with whom they are in an accountability relationship" (p. 25). Implicit in these descriptions of

accountability is the view that there is a mandatory giving of information which can be referred to as rendering of an account by those who are required to explain and justify their own actions to those who are requesting for the information or an account. Those demanding for an account would also have the power to evaluate such information and reach a decision or come to a conclusion as to whether some performance expectations have been achieved.

Stewart (1984) proposed a comprehensive framework for the analysis of accountability in any organisation. He argued that accountability consists of three main parts namely the 'element of account', 'holding to account' and mechanism of accountability. In explaining the framework, Stewart argued that the 'element of account' is the need for information by an authoritative body on the actions and performance of an accountable body in order to form judgements. The information so requested would also be presented by the accountable body in a form and language that is understandable and acceptable (Stewart, 1984; Day and Klein, 1987). Such information could be statement of account, performance targets, statement on corporate governance, performance review report, research assessment results, annual report, etc. Stewart maintains that information is a very crucial aspect of any account that is to be rendered and it also depends on the type of account to be given.

The other aspect of the framework according to Stewart, which is the element of 'holding to account', involves the right of the authoritative body to question and debate the information that is provided by the accountable body in order to form judgements about the account that is rendered. This means that the information or the account that is given will be evaluated in order to give approval or disapproval with accompanying reward or

punishment respectively. One important consequence of the 'holding to account' is the 'giving of account' which Stewart argues is necessary for operationalising the former. This appears to be the compliance aspect of the accountability framework because whoever is held to account as a result of having responsibility for a given role and is allocated resources to accomplish that role is bound to give an account of performance.

Stewart describes accountability as a bonding relationship between an accountable body that accounts and is held to account on one hand and an authoritative body who holds to account and is expected to receive an account. For example, the accountability relationship between the UK government and universities is made effective through the higher education funding councils. The government through the funding councils is the one who 'holds to account' and expects to receive an account and the university is the one who accounts and is 'held to account' for the use of resources allocated to it to accomplish some purpose. 'Holding to account' is an attempt at evaluating effectiveness of actions or performance of an accountable body (Ranson, 2003).

Stewart described the interaction between the two parties as a relationship of power where the authoritative body to whom the account is given exercises power and authority over the accountable body that renders the account. He said such bonds of accountability are entrenched in legislations and legal instruments establishing an organisation as well as in various compliance codes and frameworks. However, the author explains further that sometimes the bond of accountability between the two parties may be a weak one in that the accountable body would give an account but the body receiving the account may lack the power to 'hold to account' and therefore may not be able to apply sanctions to the accountable body where expectations for standard of performance are not met. He

argued further that it is not just enough to render an account but that the information should be published or distributed to all stakeholders of the organisation.

The accountability process is made manifest through various mechanisms of accountability which can be described as particular means or techniques adopted to achieve the giving of account by an accountable body (Christensen and Ebrahim, 2006; Baird, 1997). These mechanisms include documentations such as annual reports, audit reports, performance reports, financial memorandum, operational plans and budgets (Poulson, 1998; Tandon, 1995; Farrell and Law, 1999, Leveille, 2006; Christensen and Ebrahim, 2006). However, Stewart (1984) contends that the accountable body should not have the sole prerogative of determining the means of providing the account but the authoritative body that has the power to hold to account should also determine such mechanisms as well as the mode of publicity to ensure easy access to the information given. Stewart (1984) asserts that one reason for increased demand for accountability is most times as a result of expectations that were not met in the past and when there is growing dissatisfaction from stakeholders and the public.

A formal accountability relationship and communication between an accountable body and its various constituencies of stakeholders is what Thomas and Martin (1996) referred to as 'dialogue of accountability'. But when there is no such relationship between the accountable body and its stakeholders then there is an 'accountability deficit'. Accountability deficit occurs when an accountable body does not communicate with the various interests, constituencies and stakeholders it purports to represent (Aucoin and Heintzman, 2000; Hanberger, 2006). However, Edwards and Hulme (1996) and Ranson (2003) observe that it is not possible for accountable bodies such as governing boards to

account equally to multiple stakeholders of the organisation and that there is the tendency for accountability to be tilted in favour of the most powerful stakeholder group or constituency when an accountable body has multiple accountabilities. In the case of UK universities, Buckland (2004) argued that the corporate model of governing bodies have separated university governors from their internal and external stakeholders to the extent that there is no communication and accountability relationship between both parties. But in the corporate world shareholders and stakeholders of the organisations are holding their boards to account and also have the power to sanction them. These accountability deficits appear to be prevalent in UK universities especially with the Post-1992 universities.

Trow (1996) argued that the accountability process in general should be determined by these questions: "Who is held accountable, for what, to whom, for what purposes, through what means, and with what consequences?" (p.310) and these questions can be seen as forming the basis for an empirical investigation of the accountability of governing bodies of universities.

The accountability relationships described above seem to portray the kind of principal-agent relationship advocated by the agency theory perspective within an organisational context. This involves a situation where the principal allocates the funds for the agent to accomplish a purpose and the agent is expected to provide information on the efficient and effective utilisation of the funds and the performance of the organisation to the principal in return. The application of sanctions in the form of reward for achievement of performance objectives and punishment for failure to meet expectations is an integral part

of this type of accountability. This type of accountability in an organisation is referred to as managerial accountability (Kogan et al, 1986; Baird, 1997).

However, there are other conceptions and forms of accountabilities that exist in an organisation in the literature which could also be acknowledged in discourses about accountability. For example, moral accountability has been described as a situation where the board members perform their governance fiduciary responsibilities with personal integrity based on responsible action derived from inner moral and ethical values to ensure the purpose of the organisation is accomplished in order to meet the expectations of the diffused ownership and stakeholders of an organisation (Baird, 1997; Mulgan, 2000; Carver, 2006; Sinclair, 2006). But Kogan (1986) referred to such moral accountability as responsibility and described it as a "moral sense of duty to perform appropriately" (p.26). He is of the view that responsibility should be distinguished from the conventional notion of accountability described above.

4.3.4 Accountability in Higher Education

Higher education institutions were also subjected to the general reforms of New Public Management and modernising public institutions programme introduced by the UK government which aimed at institutionalising private sector organisational practices designed to bring about a change in the organisational culture of universities (Bargh et al, 1996; Deem, 2004). Accountability was also perceived to be the focus of the UK government in enacting the Education Reform Act 1988 and the Further and Higher Education Act 1992 with the resultant devolution of more powers and enhanced roles to the governing bodies of educational institutions so that they would in the final analysis be accountable and also held accountable for the performance of their institutions (Deem et

al, 1995; Poulson, 1998; Farrell and Law, 1999; Simkins, 2002). However, the Education Reform Act of 1988 in the UK was legislated for England, Wales and Northern Ireland but did not apply to Scotland.

The reforms aimed to secure accountability of the universities through the use of external audits and internal regulation of the work of academics who are themselves professionals (Deem, 2004). Apart from the control of academic work, universities were also required to account to government for the funds allocated to them for the achievement of some specific political, economic and social programmes of the state. These reform efforts with the associated accountability requirements appear to have significantly diminished the autonomy of academics and universities in the UK.

Through these reform acts, power was also transferred from the professionals in the educational institutions to the governing bodies as representatives of stakeholders and to the managers of the institutions (Deem et al, 1995; Bargh et al, 1996; Simkins, 2002) and this was particularly evident with the advent of new managerialism in educational institutions and universities ((Deem et al, 1995; Bargh et al, 1996; Deem, 2004).

The new emphasis on accountability is much less for school governing bodies now but much more for the governing bodies of higher education institutions. This appears to be as a result of the fact that the governing bodies of schools were much talked about in the early 1990s but the emphasis has shifted to governing bodies of higher education institutions from the beginning of the 21st century.

The call for accountability in universities is as a result of the perceived insufficient accountability of these institutions and their professionals (academics) by government and society (Bargh et al, 1996; Gibbons, 1998; Ranson, 2003; Leveille, 2006) in spite of

the huge public funds allocated to them. The demand for more accountability by government is also perceived as one mechanism by which the university is linked to its external environment and society (Trow, 1996; Gibbons, 1998). It has been argued that the demand for accountability by the various stakeholders of organisations and the compliance of organisations with this requirement could also confer public trust and credibility to such organisations (Bogart, 1995; Trow, 1996; Gibbons, 1998 and Ranson, 2003).

Ackroyd (1999) argued that the problem of UK universities is not about inadequate accountability but that some managerial aspects of the organisation of the institutions which has resulted from the governance reforms have prevented them from maximising their academic self regulation to its full potential. This view is supported by Shattock (1998) who argued that the type of university governing body prescribed by the 1992 Education Reform Act may not be suitable for the purpose of public accountability. He observed that governing bodies are "made to feel accountable" but in reality they are not accountable to any constituency.

Kogan (1988) classified the different accountability models that coexist in educational institutions on the basis of locus of control. These models are the managerial/public contractual, professional and consumerist modes of accountability. The managerial/public contractual mode involves the accountability relationship between a subordinate and a superior either within an institution or between an institution and a higher external controlling body. The professional mode is based on the assumption that the professional body of practitioners in a particular field of human endeavour would determine certain work standards and ethics which are expected to be followed by all members in the

course of engaging in their professional calling. The consumerist model requires teachers and academics to use their expertise to compete for funds, students and other resources they would need to accomplish the purposes and missions of their institutions. In summarising the accountability relationships, Kogan (1988) is of the view that "accountability covers a whole range of philosophies and mechanisms governing the relationship between any public institution, its governing bodies and the whole of society which includes the political environment" p. 2.

In general, accountability relationship in higher education institutions is about hierarchical reporting relationship directed externally between universities as represented by their governing bodies and government and also internally between university governing bodies and academics (professionals) through the vice chancellors. However, in theory it appears university governing bodies are ultimately accountable for the performance of their institutions as recommended in the CUC (2004) governance framework but the financial memorandum issued by the higher education funding councils of England and Scotland (HEFCE and SFCHE) assigned the actual accountability functions of the university to the Vice chancellor. This means that in practice, it appears university governing bodies are not directly accountable to government and the various stakeholders of the universities. Baird (1997) and Epstein (1974) had argued that it is not clear as to whom university governing bodies are accountable.

In terms of corporate organisational theories, accountability as a control and regulatory technology falls within what Tricker (1994) calls the 'conformance role' of a board as advocated by the agency theory. In this regard, the role of the board is to ensure that the

organisation, through its management conforms with the wishes and interests of the owners, primary stakeholders and funders at all times and is accountable to them concerning the use of resources allocated and for the performance of the organisation. Agency theory views compliance as a control mechanism designed to ensure the accountability of managers of a firm to its principals or funders.

4.3.5 Empirical Study of Accountability of Governing Boards

In the literature of higher education governance in the UK, no attempt has been made to empirically investigate the accountability of university governing bodies although there are theoretical perspectives on this phenomenon. There are myriads of prescriptive approaches to accountability in the literature of governance but in practice it appears very few boards engage in these accountability practices.

In empirical studies conducted by Holland (2002) and Stiles and Taylor (2001) on boards of organisations found that members of governing boards perceived they were not accountable to anybody other than themselves. Similarly, in separate studies conducted in some schools in the UK by Kogan et al (1984), Levacic (1995) and Deem et al (1995), they found that school governing bodies were also not in any way accountable and they do not take any particular interest in their own accountability requirements. They also discovered that school governing bodies do not perform any major accountability role in the accountability process of their institutions. Holland (2002) also found that most of the board members in their study were of the view that it is the responsibility of their CEOs to communicate board decisions to their respective stakeholders since they do not have a direct accountability relationship and communication with these constituencies.

Bennett (2002) in his analysis of minutes of meetings of boards of governors of some higher education institutions in the UK found that only 8.7% of the contents of the minutes border on issues of accountability. This appears to indicate the low level of the accountability activities of these governing bodies.

However, Farrell and Law (1999) in their study of perceptions and practice of school governing bodies' accountability observed that school governors were accountable to a range of stakeholders including parents, government and the public. They also found that only a few governors and school governing bodies are held to account by their various stakeholder constituencies such as parents through their PTA meetings.

Deem et al (1995) based on their study of school governing bodies in the UK observe that "few mechanisms are in place to make elected or selected school governors accountable to those whose interests they represent and whose views they are supposed to be aware" (p. 166 – 167). Farrell and Law (1999) in a similar study of the activities of school governing bodies identify annual reports and annual general meetings with parents as the main mechanisms for accountability adopted by school governing bodies to give account of their stewardship.

However, despite all the theorising on the concept of accountability, there are very few empirical studies on accountability of governing bodies of educational institutions and boards of organisations (Farrell and Law, 1999; Holland, 2002; Deem et al, 1996; Kogan et al, 1984). The situation is even more precarious with higher education institutions and most especially in universities where there is limited empirical research on the governance activities of university governing bodies from the mid-1990s till date. The limited research and interest in the activities of university governing bodies within the

period may be as a result of the attention that was diverted to the activities of governing boards of corporate organisations in the 1990s arising from the celebrated scandals that rocked the corporate world within the period. Moreover, Deem et al (1995) described the nature of governing bodies of educational institutions as 'evanescent' because they appear to be important in the life of organisations for a while then, after sometime, they go into obscurity.

In summary, in this section, I reviewed the UK government NPM and modernisation agenda reforms and their emphasis on the accountability of public institutions including universities to government and their numerous users and customers in order to ensure the efficient and effective delivery of quality products and services. I also reviewed the concept of accountability and presented in some details Steward's (1984) analysis of accountability in order to highlight the constituent parts of accountability and the main actors involved in an accountability relationship. In addition, I examined the accountability relationship between the universities and government as represented by the higher education funding councils and the role of the university governing bodies in the accountability process of the institutions. A review of the literature showed that empirical studies on the accountability of university governors and their governing bodies in the UK are rare. Moreover, the accountability role of the governing body in the prescriptive literature seems to be inconsistent with the provisions of those in the financial memorandum of the funding councils to the universities. These provide bases for the examination of the accountability role of university governing bodies in this study. I adopted the accountability framework proposed by Stewart (1986) to understand the accountability role of the university governing bodies and their relationship with the vice

chancellor and the higher education funding councils. I also intend to examine the perceptions of the governors concerning the accountability of the university governing bodies. The following questions as put forward by Trow (1996) would be explored especially at the data collection stage when investigating the accountability role and practice of university governing bodies.

In the next section, I discuss the review of the effectiveness of the performance of governing bodies.

4.4.0 Review of Effectiveness of Performance of University Governing Bodies

The Dearing Report (1997), Lambert Review (2003) and the CUC (2004) guide for university governors recommended that governing bodies should review their own effectiveness and those of the individual members of the governing body as well as their committees. The Lambert Review (2003) specifically recommended that university governing bodies should conduct the review of governance effectiveness by measuring their own performance against their stated governance roles and responsibilities. The CUC (2004) governance code proposed that the review of governance effectiveness of university governing bodies should be "measured both against the statement of primary responsibilities and compliance with the CUC code of governance practice" (p.15). But the Lambert Review argues that codes are frameworks for the practice of governance, and therefore, compliance with codes is not a measure of effectiveness as proposed by the CUC (2004). The Higgs Report (2002) and UK Combined Code on Corporate Governance (2003) also recommended that corporate boards should formally undertake an annual evaluation of their own performance and that of their committees and individual directors. The purpose of such performance reviews, according to all these

reports, is to identify the strengths and weaknesses of the governing board, its committees and members in order to improve the effectiveness of their governance performance by addressing their weaknesses and build on their strengths.

In the literature, the meaning of board effectiveness is hardly defined or described by researchers. When there is no such consensual definition, the meaning of effectiveness would be subject to various interpretations depending of the theoretical lens with which an individual frames the concept. In the literature of board governance, researchers have attempted to determine what constitutes the effectiveness of the performance of a governing board of an organisation but there seems to be no consensus in the governance literature (both prescriptive and empirical) as to what constitutes an appropriate and precise criteria or measure of the governance effectiveness of governing boards of organisations (Bradshaw, Murray and Wolpin, 1992; Van der Walt and Ingley, 2002; Leblanc and Gillies, 2005; Schmidt and Brauer, 2006). Bradshaw et al (1992) concludes that the lack of consensus among researchers as to what constitutes measures of board governance effectiveness is as a result of their inability to operationally define or describe the concept of effectiveness. This has resulted in the development of different theoretical frameworks and criteria for determining the effectiveness of boards of for-profit and non-profit organisations by researchers such as Inglis, Alexander and Weaver (1999), Holland, Chait and Taylor (1989), Kelleher (2006), Leblanc and Gillies (2005), Bradshaw, Murray and Wolpin (1992), Nicholson and Kiel (2004), Herman, Renz and Heimovics (1997) and Van der Walt and Ingley (2001).

The elements of board governance effectiveness developed by some of these researchers are briefly discussed below. Board effectiveness researchers such as Nicholson and Kiel

(2004), Leblanc and Gillies (2005), Van der Berghe and Levrau (2004) and Leana and Van Buren (1999) are of the view that the human resource possessed by boards should match the various governance role and responsibilities they are expected to perform in their organisations. The procedure for conducting this type of effectiveness review would be to clarify the particular governance activities to be performed and to determine the necessary competences and skills of the board members that would be required to accomplish the governance tasks (Leblanc and Gillies, 2005). This approach could be problematic because board governance roles are sometimes ambiguously specified.

It was also observed that some boards of organisations use their involvement in contributing, approving, and guiding the achievement of the strategy of the organisation as a measure of their governance effectiveness (Bradshaw, Murray and Wolpin, 1992; Leblanc, 2004; Schmidt and Brauer, 2006). Leblanc (2004) argued that the missing link in the relationship between board effectiveness and corporate financial performance is the strategic decision-making effectiveness of the board. However, researchers have continued to question the relationship between effective corporate governance by the board and the performance of the organisation (Bennett, 2002; Patterson, 1998). Cadbury (1997) had also argued that the relationship between corporate governance and organisational performance is a complex one which cannot be empirically determined because some of the measurable aspects of corporate governance do not bear direct relevance to corporate performance. McNulty and Pettigrew (1999) had also observed that not all boards participate in the determination of the strategic direction and strategies of their organisations.

Some researchers have advocated that the compliance of the board with the various governance codes (Schmidt and Brauer, 2006; Ingley and van der Walt, 2005) and their conformance with charters and constitutional frameworks of the organisation (Steinberg, 2000) as determinants of their governance effectiveness. Some studies have also shown that boards that adopted prescribed governance roles and practices were adjudged to be more effective than those that do not completely implement them (Herman, Renz and Heimovics, 1997; Nobbie and Brudney, 2002). However, Garrratt (2007) and Lambert (2003) criticised the use of compliance with corporate governance codes as measures of the effectiveness of governing boards.

Brudney and Murray (1998) in their study of the determinants of the governance effectiveness of boards found that continuing improvement of board members through training and development were perceived by their CEOs as measures of governance effectiveness. Kiel and Nicholson (2005) and Holland et al, (1989) in their development of frameworks for the study of governance effectiveness of boards of nonprofit organisations and universities respectively, also considered board improvement through induction, training and development as a determinant of board governance effectiveness.

In the literature of governance, board effectiveness is sometimes based on the perceptions and experiences of people that have a stake in the organisation (Bradshaw, Murray and Wolpin, 1992; Herman, Renz and Heimovics, 1997; Holland, Chait and Taylor, 1989; Leblanc and Gillies, 2005, Smart, 1989). Participants' satisfaction with their actions and activities in a particular undertaking is also an indication of their effectiveness (Zimmermann and Stevens, 2006).

In view of the plethora of frameworks and measures in the literature of board governance to determine the effectiveness of boards and their members, researchers such as Bradshaw et al (1992), Herman et al (1997 and Zimmermann and Stevens (2006) came to the conclusion that effectiveness of a board is a subjectively and socially constructed phenomenon in organisations. They argued that the determination of the effectiveness of performance would depend on what these persons subjectively experience and perceive as constituting the element of their effectiveness. The social constructionists' perspective however, appears to dominate the discourse and practice of the review of governance effectiveness of governing boards of organisations.

The use of a questionnaire to elicit responses concerning the perception of board members and other stakeholders on board governance effectiveness is common practice among board governance researchers such as Herman, Renz and Heimovics (1997), Holland, Chait and Taylor (1989), Smart (1989), Van der Walt and Ingley (2001), Leblanc and Gillies (2005) and Gill, Flynn and Reissing (2005). Shattock (2006) also contend that the use of questionnaire to obtain the views of university governors concerning their effectiveness is a valuable practice. But such practice appears to rely on a lot of self-reflection on the part of the governors and not every one individual has this attribute.

Only one study was identified to have been conducted by Holland, Chait and Taylor (1989) on boards of trustees of colleges and universities in the United States. Based on their empirical approach to developing a framework of board effectiveness, the authors found the following six areas of competence and that boards which perform well in these areas were considered to be effective boards: "understanding and valuing the institutional

history and context; building the capacity for boards' learning; nurturing the development of the boards as a cohesive group; recognising the complexities and nuances of issues before them; respecting and guarding the integrity of the governance process; and envisioning the shaping of the future institutional direction" (p. 451). They argued that these competencies can be assessed through the qualitative interview process with the university governors.

In the governance of UK universities, the issue of the review of the effectiveness of performance of governing bodies is a relatively new governance practice and there are no empirical studies on this phenomenon. The review of the effectiveness of university governing bodies was not yet a recommended governance practice at the time Bargh et al (1996) conducted their study and as such was not examined by them. This present study would attempt to fill this gap in the empirical literature on university governance by exploring how university governing bodies in the UK engage with the issue of the evaluation of their own effectiveness of governance performance and to determine what constitutes their effectiveness based on the perceptions of the governors and the practices of their governing bodies.

In summary, the above review highlights the recommendations of the various governance reports and codes of practices in the higher education and private sector concerning the issue of evaluation of the effectiveness of the performance of governing bodies. It also presents a view of the indeterminate nature of the concept of effectiveness review of governing boards of organisations and the efforts that have been made by researchers and boards themselves to determine what constitutes the effectiveness of these bodies. Based on the literature, it was observed that what determines the effectiveness of performance

of governing bodies is socially constructed by members of the boards, the industry regulators and other stakeholders of the organisations. The review identified the absence of any empirical studies on university governance concerning the review of performance of university governing bodies in the UK and hopes to fill this gap in the literature.

4.5.0 Conclusion

In this chapter, I reviewed both the theoretical and empirical literature on why people voluntarily participate in organisational activities which have been developed into a number of motivational factors for participation in such part-time tasks. I also reviewed the literature on the strategy role of boards and their participation in the strategy process of their organisations. The effectiveness of the performance of governing bodies and the elements that constitutes such effectiveness was also reviewed.

The review showed that few empirical studies have been conducted in these areas as regards university governors and their governing bodies in the UK. The theoretical insights gained from these reviews in the areas of motivation, strategy, accountability and effectiveness of performance would be adopted to interpret and understand the governance roles and practices of university governing bodies in this study.

In the next chapter, I presented the methodological approach adopted to conduct this research on the perceptions of university governing bodies in England and Scotland concerning their governance roles and practices.

CHAPTER FIVE

METHODOLOGICAL ISSUES

5.0.0 Introduction

My main purpose in this chapter is to explicate and justify the philosophical paradigm in which this study on the governance roles and practices of university governing bodies in the UK is located, the research design and the various methods of data collection and data analysis. I will also address some ethical, validity and generalisability issues about this study as well as some of my reflections on the entire research process.

Specifically, my focus in this chapter is to describe the process by which I was able to produce valid knowledge about the phenomenon of governance within different institutional contexts in the UK.

5.1.0 Philosophical Paradigm of my Study

There are two competing philosophical paradigms in social science research. These are positivism and interpretivism. Each of these paradigms represents a set of philosophical assumptions and principles concerning the social world and how it should be studied. Positivism assumes that knowledge of the social world can be obtained only by direct observation of phenomenon through our senses or the recurring patterns of events in our experiences of the world that can be observed and quantified. It also assumes in the existence of an objective reality that can be apprehended and which is separate from the conceptions of the human mind. Positivism also attempts to be value-free when the social world is being investigated. Positivism also assumes associative relationship between observable phenomena. The positivistic paradigm is associated with the quantitative approach to social science research and is suitable for experimental, correlational and

survey study designs. The researcher can manipulate the variables in the research to achieve the purpose of the study. The basic tenet of positivism as it relates to the social sciences according to Comte (1798 – 1857) is that the methods and the insights of the natural sciences are relevant for generating knowledge in the social sciences. C. Wright Mills (1970) contends that the 'political nature' (Delanty, 1997) and 'cultural authority' (Benton and Craib, 2001) of positivistic empirical research is because of its claim of scientific objectivity.

Positivism however has been one of the dominant paradigms in empirical social science research but some of its basic assumptions have been challenged by advocates of interpretivism as an alternative and competing paradigm for the investigation of social phenomenon. Although positivism maintains that empirical evidence should not be based on the value judgements of the researcher, interpretivism assumes that people make such important value judgements in their 'everyday lives' (Punch, 1998). Lincoln and Guba (1985) also debunked the positivist value-free nature of research by arguing that facts are also value-laden and that value judgements are made by researchers to direct their empirical studies.

Interpretivism as an alternative paradigm is based on anti-positivistic perspective and assumes that there is no objective reality in the social world but subjective perceptions of the world as a result of our experiences and meaningful construction of social reality(ies) through interactions with other people. This means that the knowledge of the social world (reality) is built through the interpretation of the subjective minds or perceptions of people within a given social context. The context is assumed to shape people's understanding and actions of the social world which they inhabit. The purpose of the

interpretivist's researcher is therefore to obtain the description and explanation of a phenomenon (social reality) based on the 'lived experiences' and understanding of the social actors and to examine how this reality is socially-constructed by them within that context (Dilthey 1833 – 1911). Interpretivism therefore involves the ability of the researcher to reveal the hidden meanings behind the intentions and actions of people in order to bring about an understanding (Delanty, 1997). Interpretivism advocates the importance of interpretation and observation in bringing about an understanding of a social phenomenon (Ritchie and Lewis, 2003). It also emphasises the separation of the social sciences from natural sciences in terms of the subject matter and the method of inquiry. The positivist paradigm is not suitable for interpretive research which seeks to study the phenomenon within its natural setting and context and in-depth in order to have a full understanding of it (Punch, 1998).

I have adopted the philosophical paradigm of interpretivism in conducting this qualitative study on university governance since it comprises the epistemological stances of phenomenology, hermeneutics and social constructivism (Schwandt, 2000). Phenomenology assumes that reality (social phenomenon) is understood from the perspective of the social actor and it is the place of the researcher to identify and describe the phenomenon precisely (Taylor and Bogdan, 1984; Kvale, 1996). This study is therefore phenomenological because it attempts to describe the governance roles and practices as re-lived through the perceptions and lived experiences of the university governors. The university governors come from various backgrounds and have different experiences which enable them to bring different perspectives to institutional governance.

My place as the researcher within the phenomenological tradition is to explore and

describe the perceptions and experiences of the governors about their governance activities.

Hermeneutics is concerned with the interpretation of meaning inherent in the oral discourse of the 'everyday lived experiences' of the social actors (Kvale, 1996; Delanty, 1997). It seeks understanding of the meaning of a social phenomenon from the perspective of the social actors. This study is also hermeneutical since I am exploring and interpreting the meaning of governance from the university governors' perspectives and experiences. A social constructivism perspective assumes that reality (knowledge) is socially-constructed through the cognitive structures of the minds of people (Delanty, 1997; Kvale, 1996; Descombe, 2003) when they interact. This implies that the meaning of a phenomenon is inherent in the cognitive structures of people and needs to be interpreted to produce knowledge. Social constructivism deals with how a social practice such as governance can be collectively constructed by the people who participate in it. Social constructivism therefore relates to this present study since I am investigating how university governors have collectively constructed and enacted their governance roles and practices in their institutions.

It is pertinent to mention that I have a strong background in the natural sciences with its positivist perspective of adopting quantitative approach to conducting research. However, my present position as a university administrator interested in conducting an in-depth study of the practice of university governance based on the perceptions of people greatly influences my adoption of a qualitative approach founded on the interpretivist paradigm. In conducting this study by adopting the interpretivism paradigm, I make no claim of an objective reality (knowledge) in the social world but that reality depends on how people

see and interpret it by making sense of it based on their individual and collective experiences. I also acknowledge the place of value judgements in determining the perspective individuals hold of a particular social phenomenon and in conducting an empirical study of this type. My adoption of the interpretivism paradigm fits the expectations of a qualitative inquiry, as with this one.

5.2.0 Research Strategy

A research strategy is described as a plan for undertaking a systematic empirical study of a social phenomenon that is of interest to a researcher (Marshall and Rossman, 1999). In line with this description of strategy, I adopted both a general qualitative research approach and multiple case study strategy to examine the governance roles and practices of governing bodies of seven universities in the UK. The general qualitative research strategy makes it possible for me to have a holistic picture of how governance is constructed and practised by the governing bodies of the institutions in this study.

Yin (2003) described a case study as a strategy of qualitative inquiry that is concerned with the investigation of a 'contemporary phenomenon within its real-life context' (p.13). Both single case and multiple case studies designs are variations of the case study approach to qualitative research (Yin, 2003). I adopted a multiple case study research strategy which enables me to have an in-depth understanding of the governance roles and practices of university governors and their governing bodies in different institutional contexts (Stakes, 2005). The emphasis in this case is on understanding how the various governance themes are manifested in each context. The advantage of adopting a multiple case studies strategy is that it produces more convincing and compelling evidence (Yin, 2003; Stakes, 2005). My major concern in this study is to bring about an in-depth

understanding of how governance is practised in these institutions and also to portray how the university governors in each institution collectively constructed their own governance practices. The study also involves a comparative analysis of two main types of cases, namely, institutional and country types. The institutional type consists of the Pre-1992 and Post-1992 institutions and the country type is made of universities in England and Scotland. The comparative case analyses would enable me to highlight the similarities in governance roles and practices between the cases and also the uniqueness of each of the cases. Contextual factors have been known to influence the type of governance structures and processes put in place by boards of organisations (Pye and Pettigrew, 2005; Klein and Meyers, 1999; Pettigrew and McNulty, 1995; Miller-Millesen, 2003). These contextual factors are critical to my understanding and interpretation of the views of the university governors concerning their governance activities and to account for whatever observed differences in the enactment of the governance roles and practices by the university governors in the case institutions.

5.2.1 Sampling Strategy and Selection of Research Sites and Participants

The choice of country and institutional types for this study is purposive because of the existence of certain contextual factors such as cultural differences and political devolution between England and Scotland. The institutional types were chosen purposively too because certain contextual factors such as different institutional histories, legal frameworks, emphasis on teaching and research exist between Pre-1992 and Post-1992 institutions.

Only university governors were chosen to participate in this study because the focus of the study is on the governance activities of university governing bodies. The study is not

about the operational (management) and academic activities of the executives and senates (academic boards) of the universities respectively. This invariably excludes members of these categories of decision-making bodies from the study. However, there are representative members of these bodies on the governing bodies of the institutions. I am aware of the dynamic and interactive working relationship existing between the governing bodies, executives and senates of universities.

In qualitative research, there is no rigid way of sampling but the most important thing is for researchers to ensure that the phenomenon of interest is present in the research settings and for the participants to have a general understanding of the phenomenon being investigated (Denzin and Lincoln, 1994; Patton, 2003; Bryman, 1988; Mason, 2002) and this informed my choice of the participating institutions and research participants in this study.

5.2.2 Selection of Countries

There are four countries making up the United Kingdom and these are England and Wales in the south and Scotland and Northern Ireland in the north. In terms of geographical distribution of the two countries included in this study, the south-north divide was used as criteria for selection. England and Scotland were chosen to represent this distribution. They also constitute the biggest higher education systems in the UK, though the English system is much larger than the Scottish system.

I made a distinction between England and Scotland because a comparative analysis of the phenomenon of study between English and Scottish universities became expedient since the responsibilities for education have been assigned to the different countries of the UK as a result of political devolution of powers on 1st July 1999 and this may result in their

having different higher education governance policies which may impact on the governance roles and practices of the institutional governing bodies. However, the Scottish higher education system had been different from that of England long before devolution. The selection of England and Scotland as countries of this study is also based on the fact that they both have larger higher education sectors than Wales and Northern Ireland.

5.2.3 Access to Research Sites

Generally, qualitative researchers have expressed difficulty in negotiating access to research sites and participants to conduct their studies (Kvale, 1996; Marshall and Rossman, 1999; Lewis, 2003). The access problem is even more acute when researchers are interested in conducting studies on the actual governance behaviour of board members during board meetings (Hill, 1995; Leblanc and Schwartz, 2007; Zahra and Pearce, 1989; Stiles and Taylor, 2001). The reluctance of boards to allow researchers observe board meetings may be attributed to the confidential nature of the strategic discussions and decisions they make in their meetings. Moreover, researchers have also observed access difficulties to study these board members who are also known as corporate elites (Pettigrew, 1992, Ostrander, 1993; Smith, 2006; Hill, 1995). This makes both interview and observation as a data collection technique a rarity in board governance research and have also accounted for the dearth of empirical studies on the governance activities of boards including university governing bodies in the UK.

During the pilot study, negotiating access to the institutions proved difficult but some of the lessons learned from that experience were put into use when I commenced access negotiation for the main study. For instance, I realised I had to give more time to the

process of negotiation of access to the institutions because one month was grossly inadequate to do so. Secondly, I also realised the need to state in the access application letter what the institutions and the participants stand to benefit from participating in my study. I stated that the research would offer them the opportunity to reflect on their governance practice. I also emphasised my capability to conduct a good piece of research by stating the type of research training I had undertaken prior to the commencement of the research process in order to facilitate entry into the research site.

For this present study, I started the access negotiation process in late November 2005 and took almost four months to conclude it. The letter of application for access to conduct this research was sent by first class post to the chairs of university governing bodies and University Registrars/Secretaries of 40 universities in England and Scotland. Each letter was accompanied by an introductory letter from my supervisor. I also sent the letter to both Pre-1992 and Post-1992 institutions since these constituted the institutional types in UK higher education sector. The chairs of governors of seven institutions (four in England and three in Scotland) in the UK granted me access to conduct this study in their universities. Since it was not possible for me to gain direct access to the university governors based on my experiences from the pilot study, I depended on the chairs of governors of the institutions who play the gatekeepers' role to seek the consent of the university governors in their various institutions to participate in this study. Specifically, I requested that at least two each of lay and staff governors should be contacted to participate in the study in order to ensure a representative balance of governors' perspectives.

Five institutions granted me full access to undertake this study. One institution allowed me to observe only one committee meeting while another university gave partial access to conduct interviews only. The partial access denied me the opportunity to observe the meeting of the governing body of this institution. This, however, had no significant effect on the outcomes of the study. The letters granting access to conduct the research in the institutions were accompanied by the names of the university governors that had agreed to participate in the study. As soon as I received such letters, I solicited the help of the Registrars or Secretaries to schedule date, time and venues for the interviews with the participating university governors on my behalf since I did not have direct access to them. Most of the participating university governing bodies meet twice a term (at the beginning and at the end the term). The fieldwork at each participating institution was scheduled to coincide with the meeting days of the governing bodies since this was the only possible time to observe the meetings of these bodies and to have all the external lay governors come to the institutions where they can then be interviewed. There was a clash in the scheduled meeting days of two participating governing bodies. The clash was resolved by re-scheduling my fieldwork with one of the institutions to its next scheduled meeting time at the beginning of the next term.

The interviews with the internal governors took place either a day before or a day after the day of the meeting of the governing body. The external lay governors were interviewed on the day of the meeting either before the commencement of the meeting or after the meeting. I commenced the main field work for this study in late February and concluded in July 2006.

5.2.4 Selection of Institutions

I investigated the governance phenomenon in seven universities in the UK made up of four Pre-1992 and three Post-1992 universities. The Pre-1992 universities are the older institutions that were established by Royal Charters. Although the powers of their governing bodies do not actually cover academic matters which are devolved to the senates of the institutions, in practice many of their decisions impinge on academic issues. Most of the Pre-1992 institutions, especially the Russell group, are regarded as highly research-intensive universities.

The Post-1992 institutions are the former polytechnics in England and the former higher education institutions under the category of central institutions in Scotland but were upgraded to university status by the Further and Higher Education Act of 1992. The powers of their governing bodies cover all aspects of the institutions including academic matters. They are usually regarded as teaching-intensive institutions but some of them are becoming research-intensive too.

An attempt was made to include both types of institutions in the study in order to accommodate the diversity and contextual factors they exhibited since these are capable of influencing the extent to which the university governors engage with their governance roles and practices. These contextual factors were also critical to my understanding of the practice of governance in these institutions and also influenced my approach to data collection (Patton, 2002; Yin, 2003; Mason, 2002; Stakes, 2005).

These institutional types are distributed in both countries of the UK as follows: two Pre-1992 and two Post-1992 institutions in England and one Pre-1992 and two Post-1992 universities in Scotland. In selecting the institutions for participation in this study, I

contacted the chairs of governors of the universities in England and Scotland through the Registrars/Secretaries of the institutions. (See details of "Access Negotiation" to research sites and participants discussed in a previous section of this chapter). The selected seven institutional governing bodies are the ones whose chairmen willingly accepted to participate in this study out of the 40 universities that were contacted through written application letters. The institutions are University of Waterloo, England (Pre-1992), University of West Albion, England (Pre-1992), Ashgrove University, England (Post-1992), Liberty Trust University, England (Post-1992), University of Stokefield, Scotland (Pre-1992), University of St. Pancras, Scotland (Post-1992) and University of Gangeshire, Scotland (Post-1992). The names of the institutions are pseudonyms. For a general qualitative research and multiple case studies as this, I considered seven institutions to be more than adequate for this study because qualitative case studies unlike surveys do not require the use of a large number of institutions for the study.

5.2.5 Selection of Participants

A total of 27 members of the university governing bodies made up of 6 chairs of governors, 13 external lay members, 4 internal staff (academic and non-academic) members and 4 academics who are members of the senior management team (SMT) participated in this study. Altogether, 15 governors came from the four universities in England while 12 governors were from the three institutions in Scotland. Different categories of university governors participated in this study and they include governors from diverse backgrounds such as business, commerce, the professions, governmental bodies, other higher education institutions, internal academics and non-academic staff and members of senior management teams. In terms of gender representation, 5 females

and 22 males took part in the study. This ensured that there is a representation of various views and perspectives about governance among the participants of the study. The governors that participated in this study had served between 18 months and 10 years as members of their university governing bodies (See Appendix A for Profile of University Governors).

The chairs of governors of each of the study institutions helped to solicit the participation of the university governors in their various institutions. I adopted this approach because it was impossible for me to get direct access to the individual governors since their contact e-mail addresses were not readily available on the websites of the universities. This approach to soliciting participation of persons for an academic research of this sort has some ethical implications, which I have discussed under the ethical consideration section of this chapter. However, this is a common problem associated with researching organisations with gatekeepers (Leblanc and Schwartz, 2007; Lewis, 2003; Miles and Huberman, 1994).

In comparative multiple case studies, only a small number of participants chosen from a few institutions are required to generate a large and rich amount of data concerning the phenomenon of study (Yin, 2003). Although I was able to get 27 university governors to participate in this study, this number was considered adequate because it covers a diverse range of backgrounds and experiences.

5.3.0 The Pilot Study

Researchers have recommended the conduct of a pilot study prior to carrying out the main study (Mason, 2002; Arthur and Nazroo, 2003, Kvale, 1996). The pilot study was designed to test the suitability of my research design, the interview guide and open-ended

questions, method of data analysis, understanding of the type of data collected and the kind of interpretations to ascribe to the analysed data. I was also interested in having advance knowledge of the type of persons involved in university governance, their orientation to the issues of corporate governance in general and university governance in particular and their behaviour in a typical interview session. Testing the interview guide would allow me to know whether it would be able to elicit from the participants a detailed account of themes to be covered in the study (Arthur and Nazroo, 2003). I intended using two universities (one Pre-1992 and one Post-1992 institutions) for the pilot since I was planning to conduct multiple comparative case studies.

In October 2005, I applied to chairs of governors of ten universities in the south west of England through their Registrars/Secretaries to grant me access to conduct a pilot study for my main research using both interviews and observation of meetings but only one university granted me partial access to conduct interviews only. Since I had no direct access to the governors, the university secretary helped to secure the consent of two lay and two staff governors to participate in the pilot study. The secretary also helped to schedule the date, time and venue for the interviews with the four governors on my behalf. In November 2005, I proceeded to conduct the pilot study in this institution with the four members of the university governing body.

I learned some lessons from the outcome of the pilot study which was later used to strengthen my research strategy in the main study. Firstly, I had to recast those interview questions that appeared to be confusing to the participants in the pilot study. Secondly, I observed that one lay governor dictated the direction of the interview to suit what he wanted to tell me. This kind of behaviour somehow did not permit me to follow my

interview guide to obtain the kind of data that would enable me to address some of my research questions. This type of 'interview control' has been identified by organisational researchers as asymmetrical power relations between interviewers and interviewees (Delaney, 2007; Ostrander, 1993; Desmond, 2004). In such situations organisational elites have always attempted to transfer their power into the interview space (Desmond, 2004; Smith, 2006). I took notice of such behaviour in order to guard against a similar occurrence during the field work of the main study. This would mean having a pre-interview discussion with the participants to mutually agree the conditions for the conduct of the interview. For example, the interviewees would be told that I have a number of issues concerning my research that I wish to explore with them within the time frame of the interview. Thirdly, after the pilot study, I realised I needed to know from the university governors why they were interested in voluntarily participating in university governance, since such motivation could have an impact on how they perceive and perform their governance activities. Fourthly, I noted that strategy and risk were topmost issues in the governance agenda of this university governing body according to those I interviewed and I gave these matters special attention in the interview schedule of the fieldwork of the main study.

My inability to get access to at least two universities to participate in the pilot study did not enable me to carry out an initial test case study comparison which I intended to undertake in the main study. However, I was able to make a comparison of the interview data between lay and staff university governors that participated in the pilot study and the result gave me some insight into what to expect in the analysis of data in the main study.

Also, my attempt to personally transcribe the tape-recorded interview took a lot of my

time so I engaged the services of a professional transcriber to do the transcription in the main study.

5.4.0 Data Collection

In qualitative multiple case studies such as this, the method of data collection requires the use of multiple data collection techniques and data sources (Yin, 2003; Denzin, 1978). The rationale for the use of multiple methods and data sources in this study is that each approach captures different aspects of the governance activities of the governors and their governing bodies. I adopted three techniques of data collection namely interview, observation and document analysis for this study. The qualitative interview using semi-structured open-ended questions enabled me to obtain the perceptions and accounts of university governors. The observation of sessions of meetings of the university governing bodies allowed me to gain insight into how they actually performed their governance roles and practices. The analysis of documents emanating from the institutions and other related bodies allowed me to have insight into some of the documented governance roles, practices and policies. The period of data collection for this study was between February and July 2006.

1. Interviews: Interview is a major qualitative data collection technique which is frequently used by qualitative researchers for capturing people's perceptions, experiences and understandings and the meanings they ascribe to a particular phenomenon in order to 'construct or reconstruct' a reality about the phenomenon (Punch, 1998; Mason, 2002; Kvale, 1996). The interview session provides the forum for both the interviewer (researcher) and the interviewee to jointly construct knowledge based on the perspective of the latter (Kvale, 1996; Miller and Glassner, 1997).

Since the purpose of this research is to explore university governors' perceptions, understanding and how they performed as well as accounted for their governance roles and practices, the qualitative interview was deemed to be most appropriate technique for collecting this type of data in this study. Their perceptions, views, experiences and knowledge are some of the attributes of social reality (Mason, 2002). It is these meanings that the university governors give to their governance experiences that guide their everyday governance actions.

I therefore examined this phenomenon by conducting qualitative interviews with the university governors using semi-structured open-ended questions. The qualitative interviewing enables me to probe in-depth the participants' accounts of governance processes and their interpretation of the meanings and understandings of these processes in their various governing bodies which a questionnaire would not permit me to do. Most of the questions that were asked are open-ended, focusing on the "what", "how" and "why" (Yin, 2003; Patton, 2002; Lacey and Luff, 2001) of the issues of university governing bodies' governance activities.

I am aware of some of the limitations of qualitative interviewing such as poor recall of events and inaccurate articulation on the part of the participants concerning the phenomenon (Seldon and Pappworth, 1983). In recognition of this inadequacy, I used other sources of evidence such as observation of meetings of governing bodies and document analysis to corroborate the interview data.

The internal university governors were interviewed a day before or a day after the meeting of the governing body while the interviews of the lay governors took place on the days of the meeting in small rooms or in the council chambers of the institutions

devoid of any outside distractions. The interviews were conducted with the help of an interview guide in order to ensure that all relevant governance issues were explored with the university governors within the time limit (see Appendix C for a copy of the interview guide). The questions in the interview guide were developed from theoretical and empirical literature on governance, my own experience and from the issues raised by the participants during the pilot study. For instance, the question of determining the governance roles of university governing bodies from the perspective of the lay governors was derived from the literature on board roles which lacks consensus on the exact roles these governing boards perform (Zahra and Pearce, 1998; Daily and Estrand, 1996; Hung, 1998; Bargh et al, 1996). I asked the governors: "What do you think are the main governance roles of governors in this university?" The question on performance review was derived from the literature on corporate governance reforms that emphasises the need for governing boards to review the effectiveness of their own performance (Higgs, 2002; CUC, 2004). I also asked the governors: "How do you assess the effectiveness of the performance of the governing body, the committees and the individual lay governors?" Furthermore, I did not consider the issue of risk governance when the interview guide for the pilot study was developed but it emerged from the discussions with the governors and was incorporated in the guide for the main study. I asked the governors: "Do you as a governing body engage in risk governance? If so, what are some of the risks that confront the university?"

Each of the interview sessions with the participants which lasted about one hour were tape-recorded with the consent of the interviewees. The essence of tape-recording the interview sessions was to ensure that the perspectives and the accounts of the participants

were fully captured in their own words. The verbatim recording also increased the accuracy of the data collection and allowed me to pay greater attention to the interview process. Note-taking instead of tape-recording would have impaired my ability to listen carefully to the interviewees and to make the necessary probes for more in-depth questioning. The participants were re-assured confidentiality of the interview data in order to enable them to open up and discuss their perceptions and governance experiences freely with me. The recorded interview sessions were later transcribed verbatim in preparation for analysis. The verbatim transcription ensured that the actual words and 'voice' of the participants were captured as text data.

2. Observation: Observation is one of the many qualitative data collection techniques used by social researchers and mainly by ethnographers and ethnomethodologists. It is a good means of collecting 'naturally occurring' data from and gaining insight into the context in which the phenomenon of study is taking place (Atkinson and Hammersley, 1994; Mason, 2002; Marshall and Rossman, 1999). It is through observation that the researcher is able to 'capture' and describe the dynamics of the behaviour of research participants as they occur and ascribe meaning to them (Marshall and Rossman, 1999). Researchers have noted very few studies that reported on the observation of actual behaviour of boards by observing boards-in-action and the difficulty in gaining access to conduct these observation studies (Parker, 2007; Stiles and Taylor, 2001; Samra-Fredericks, 2003; Leblanc and Schwartz, 2007).

I adopted observation as a technique of data collection in order to examine and understand the actual governance behaviour and practices of university governing bodies. The meeting session is the forum where university governors assemble to actually enact

the governance roles and practices they have collectively constructed. Observation as a data collection technique enabled me to immerse myself in the meeting sessions of the university governing bodies and have an insight into how the university governors collectively engaged in strategic debates, decision making, the issues they discussed and how the governance processes were carried out within the context of the institutions. It is all about experiencing first hand instances of how university governors perceive and enact their governance roles and practices. It is about understanding actual governance behaviours of the university governors as they occur. The qualitative data obtained through observation from these meeting sessions are 'naturally occurring', unlike the interview data which is a particular account that is given with hindsight by the individual governors and which may or may not represent what really occurs in practice. Another reason for doing observation as a data collection technique is that it affords me the opportunity to crosscheck the interview accounts of the university governors in actual practice. The data that was obtained through this observation process indicates that knowledge is both 'contextual and situated' within a particular setting (Mason, 2002).

In using observation as a means of collecting qualitative data, I developed an observation guide that stipulated some of the critical governance issues and themes I focused on based on my research questions and the purpose of the study as well as my theoretical framework. Some other issues relating to my research questions emerged during the meetings that were not initially included in the observation guide. These issues were also recorded accordingly.

My role as a researcher during the observation process was that of a reflexive observer which is described by Coffey (1999) as the 'ethnographic self'. This involved bringing

my previous governance experiences gained from working closely with the governing body of my university for six months as a secretary and my career as a university administrator for 16 years to make sense of what took place during the meetings of the governing bodies in this study. My theoretical knowledge of various governance theories, processes and practices were also very useful in interpreting the activities of the governors. I am also aware that my presence in the meeting as an observer may affect some of the actions of the governors during these meetings and this might have some implications for the type of data that is obtained. All these are based on the beliefs I share with Mason (2002) that researchers in observation settings cannot be "detached from the knowledge and evidence they are generating" (p. 7). All the meetings that were observed were scheduled meetings on the calendar of the various institutional governing bodies.

During the observation process, I took a substantial amount of notes based on the governance issues in the observation guide and also some other relevant emergent issues that emanated from the discussions and interactions of the university governors at the meetings. My observation field notes also contained my reflections and interpretations of some of the critical issues I observed at the meetings. The field notes were developed within 48 hours of observing each meeting when the critical episodes were still fresh in my memory despite the exigencies of travel. The meetings lasted between three and fours hours.

I was able to observe meeting sessions of the following five universities namely University of Waterloo (England), University of West Albion (England), Liberty Trust University (England), University of Stokefield (Scotland) and University of St. Pancras (Scotland). Ashgrove University granted me access to observe its Marketing and

Communications committee meeting only. The University of Gangeshire granted me access to interview only the governors. Only one meeting session was observed in each of the five university governing bodies that granted access, which was useful to the study but more observations could have revealed much more about the activities of the governing bodies. The observation was used to support the other methods of data collection used in this study.

All the meeting sessions of the university governing bodies that I observed were held in the council or board chambers of the various universities, although, one particular Chair of governors told me that they sometimes hold their meetings outside the university in order to ensure full attendance. However, all the observed meetings were well-attended by the university governors including all those that volunteered to participate in this study.

3. Documents: Social researchers are of the view that documents are a rich source of qualitative data and they represent and give continuity to the various institutions in which they originate as well as give identity, meaning and directions to these institutions (Mason, 2002; Atkinson and Coffey, 2004; Prior, 1997). Mason (2002) describes documents in terms of both ontological and epistemological perspectives as representing 'meaningful elements of the social world' and they also 'count as evidence' of reality respectively (p. 106 - 107). The collection of documents from research sites are common means of generating qualitative data for the purpose of analysis in order to bring about an understanding of the institution and associated phenomenon. I followed the same tradition of gathering qualitative data through the documents retrieved from the various

research sites in this study because the information contained in them represents a reality about the governance phenomenon, the governing bodies and the institutions.

During the period of data collection, I retrieved for review and analysis such documents as governance handbooks, agendas and minutes of meetings as well as a few other documents about the institutions. I also retrieved from the websites of the institutions for review purpose, the minutes of some past meetings, the university annual reports and strategic plans. I also visited the websites of the Committee of University Chairmen to retrieve the 2004 governance framework for UK universities, and the websites of the funding councils of England and Scotland to obtain documents such as the financial memorandum, risk governance framework, etc. Other documents reviewed included the various higher education governance reforms in the UK. The documents were used for triangulation purposes and to back-up evidence from the interviews and observation.

5.5.0. Method of Data Analysis

Qualitative data analysis according to Marshall and Rossman (1999) is the "process of bringing order, structure and interpretation to the mass of collected data"...and to "search for general statements about the relationship among categories of the data" (p. 150). In this study, the qualitative data that were analysed are the interview accounts of the perceptions of university governors concerning their governance activities, the observation notes taken during the meetings of the university governing bodies and relevant textual documentary evidence emanating from the various institutions and other related bodies such as the CUC and funding councils as well as my own reflections and interpretations. All the data obtained from the different sources provide an account about how governance is understood individually and constructed collectively by the governors

in each of the governing bodies and in collaboration with me as a researcher during the interview phase of data collection.

In preparation for data analysis, the recorded oral interview tapes were labelled accordingly with the pseudonyms of the governors and their institutions and were given to a proficient secretary for verbatim transcription. The purpose of the transcription is to transform the oral data into textual data to make them amenable to analysis. In order to ensure the accuracy of the transcriptions, I listened to the interview tapes while reading through the transcripts and effecting corrections where applicable. The interview transcripts were assigned the governors' pseudonyms. I also returned the transcripts to the governors for respondent validation.

The observation notes I took during the meetings of each of the governing bodies were also developed into elaborate and readable textual forms. The notes were assigned the pseudonyms of the institutions. The observation notes represent the contextual and situated knowledge that is generated from the boardrooms of the individual governing bodies. For example, in almost all the meetings, I observed that issues bordering on the strategies of the institutions were common features of the discussions of the governors. Furthermore, at the meeting of the governing body of University of Waterloo, the financial position of the institution was discussed in relation to the expected increase in the price in utility gas. I took note of the decision-making process on this strategic issue which involved the chair introducing the topic and calling on a lay member of the finance committee to make a formal presentation of the issue. The chair summarised the presentation and asked the governors to debate the matter. After many members had made their individual contributions to the issue, the chair highlighted the main points

raised and asked the governors to take a decision on the matter. The decision made on the issue was consensual as no votes were taken. This type of board processes were observed and developed into textual data and coded accordingly for thematic framework analysis.

Lacey and Luff (2001) suggested that the chosen approach to data analysis depends on the research questions, the time at the disposal of the researcher for the conduct of the research and the priorities of the researcher. For the purpose of data analysis in this research, I adopted the thematic framework analysis procedure (Ritchie and Spencer, 1994; Lacey and Luff, 2001; Ritchie, Spencer and O'Connor, 2003) which is an inductive method of qualitative data analysis because the purpose of this study and the research questions are theme and concept based.

Prior to data, I compiled a list of themes and concepts developed from the theoretical framework of this study, issues which arose in terms of the governance changes that had been going on in higher education, those from the pilot study, my own governance experience and from what the governors said at the interview. I developed descriptive codes specifying the meanings of these themes and concepts which were derived from the definitions and descriptions in the literature, from my knowledge of governance experience and from the meaning given by the participants (Mason, 2001; Ritchie, Spencer and O'Connor, 2003, Lacey and Luff, 2001). Miles and Huberman (1994) described codes as "tags or labels for assigning units of meaning to the descriptive or inferential information compiled during the study" (p. 56) and coding is the process of affixing the codes to the pieces of data (Punch, 1998). The codes also provided a way of accessing evidence of the governance roles and practices of the university governors and their governing bodies in this study.

During the first stage of the analysis, I read through the entire data set twice in order to become familiar with the accounts of the participants. I read through the whole data set a third time and affixed the codes to any particular piece of data that corresponded to the themes and concepts. This means that I attached meaning to particular pieces of information in the data set which are relevant to my research questions and the overall purpose of the study. The coding process was done manually on the transcripts with the help of a computer (see Appendix E for a sample of my coded transcript). I did the coding manually because I found it more straightforward than the Nvivo package in handling such multiple case studies research. Furthermore, I also wanted to be reading and re-reading the transcripts all the time to enable me to be more conversant with what the participants were saying.

The coding also made it possible for me to organise and index the data as well retrieve any piece of evidence from the data set with ease for the purpose of illustration during the description and explanation stages of the analysis as well as during the reporting of the study.

A total of 108 themes related to the purpose of study were identified, compiled and labelled with 3-letter textual codes. These themes were later conceptually grouped into 10 major themes (see Appendix D for a list of main themes and sub-themes and their codes). The developed major themes and sub-themes formed the thematic framework of the analysis of data in this study.

In the next stage of the analysis, I created a thematic chart where I cross-tabulated the participants (university governors) against their own responses concerning each theme in the data set. This also enabled me to examine each participant's overall conception of the

governance themes along the rows in the thematic chart. Presenting the data in this manner enabled me to make comparisons between the perceptions of the participants concerning each of the research themes in the thematic framework. This approach also made it possible for me to have the convergent and divergent views of each of the governance themes generally in the universities represented in this study. The observation notes obtained from the meetings of the governing bodies were also read several times to enable me make sense of the data and coded accordingly and analysed thematically.

The main thematic chart also enabled me to explore the general perception of each governing body (constituted as the various participants from a particular institution) concerning a particular research theme. This enabled me to examine the similarities and variations in the responses of the governing bodies. In analysing the case (group) data, the dominant perspectives were taken to represent the constructed governance practices of a particular governing body. However, there are few cases where minority views corroborated by observation and documentary evidence could represent current practices of the group.

After constructing the thematic charts, the next stage of the analysis involved my reading through the columns in the chart and interrogating the data in order to understand the various manifestations or representations of particular governance themes and the associations between the themes generally and across the case study institutions. The patterns that emerge from this exercise were adequately labelled, described and explained and case institutional governing bodies were assigned to them. For example, through this process I discovered that there are various conceptions and interpretations of accountability by the university governors in this study. Also in terms of the strategy role

of the governing bodies, I found two main patterns of participation in the strategy process of the institutions among the governing bodies in this study.

I also explored associations between the various themes by looking for their co-occurrence within the text data in order to identify possible associations and influences on each other. For example, in the university governors' discussion of strategy during the interview sessions and in their meetings, they frequently talked about the risks associated with the strategies of the institutions. This implies that there are potential risks that may impact on the achievement of the strategies of an institution.

The descriptions and explanations of the concepts and patterns that emerged during data analysis were either those given by the participants or the ones developed using the theoretical framework of this study (Kvale, 1996; Ritchie, Spencer and O'Connor, 2003). In his description of the method of interpretation of data, Kvale (1996) highlighted three contexts of interpretation of data which I adopted in this study. These are:

- interpretation given in the data by the respondents which the analyst should highlight (*self-understanding*);
- interpretation imposed on the data by the researcher through use of general everyday concepts and understanding (*critical common-sense understanding*);
- interpretation imposed on the data by the researcher by using a theoretical framework (*theoretical understanding*).

The various pieces of data that were used for illustration in reporting the data analysis and interpretations were the ones that best represent a particular theme, concept, process, practice, views and perspectives of the study. The presentation of the analyses and

interpretations were based on the major themes and sub-themes that were identified in the study and how these vary across the case studies (Yin, 2003; Kaufman, 1981)

In the analyses and interpretations of the case studies, comparisons were made between institutional types (Pre-1992 and Post-1992 universities) and country type (England and Scotland). The main focus of the cross-case comparisons was on the variations in governance roles and practices as they manifest in the different case sites. This was done to find out the extent of the influence of contextual factors on the collective construction of the approach to governance in the case study institutions. The CUC (2004) governance framework is recommended by the CUC and funding councils to serve as the benchmark for governance practices in UK universities since institutions are required to report on how they complied with its provisions. This document forms the template with which I explored the variations in governance practices across the institutions vis-à-vis the empirical data that were collected from the research participants and sites (Yin, 2003).

I also used documents as a form of cross-referencing to obtain evidence to verify and corroborate the interview and observation data. Some of these documents were also used to provide history and the context in which governance operates in the institutions (Marshall and Rossman, 1999; Mason, 2002). For example, there were conflicting claims among the participants as to who in reality between the governing body and the vice chancellor is the financially accountable authority to the funding council. I perused the financial memorandum document issued by the funding councils to the institutions to determine the officially designated accountable authority of the institution. The documents were not used as a source of primary data for the study as to warrant their detailed analysis.

The aggregate of the findings and conclusions from the general perceptions of the participants and the cross-case comparative analysis of governance between the institutions formed the overall content of the findings chapter of this thesis.

5.6.0 Ethical Considerations

The conduct of qualitative research is laden with a great deal of ethical issues and moral implications since most of the studies deal with people and, due to the in-depth nature of these studies, they are likely to encroach on the private lives of the research participants (Punch, 1998). It is imperative for the researcher to consider the study in relation to the rights of the research participants as well as to the risk or harm that they may face in the course of the study and even after the research has been concluded (Miles and Huberman, 1994; Punch, 1998). Ethical problems pervade every stage of the research process from conception to conclusion (Kvale, 1996; Mason, 2002; Lewis, 2003).

It is pertinent to mention that in carrying out this study, I followed the ethical guidelines for conduct of educational research prescribed by the British Educational Research Association (2004) and those prescribed in the literature on research ethics. I am aware that some of the ethical issues raised in the guidelines and the prescriptive literature are difficult to implement fully during the conduct of a study but they serve as templates for me to reflect on the ethical dimensions and morality of my research practice.

In the conduct of this study some ethical and moral issues were taking into consideration especially as they affect the research participants. These issues are discussed below.

Informed Consent: Kvale (1996) described informed consent as "informing the research subjects about the overall purpose of the investigation...and obtaining the voluntary participation of the subjects with his or her right to withdraw from the study at any

time..." (p.112). I had earlier mentioned under the section "Selection of Participants" of this chapter that the chair of governors and secretaries helped to solicit the participation of the university governors in this study on my behalf since I do not have direct access to them. However, it was still pertinent on my part to formally secure their consent to co-operatively participate in this study. By a letter through the university secretaries, I formally sought the consent of the university governors to participate in the study. In the letter they were informed of the purpose of the research and their role in it. They were told that they would be interviewed for about an hour to discuss how they were governing their institutions. A consent form was also attached to the letter for them to complete, sign and return to me through their respective university secretaries. Some of the consent forms were received by post through the governing bodies' secretaries while others were received on the days of the interviews with the participants. In the consent letter, the participants were also informed that they could withdraw their participation at any stage of the research as well as the permission granted to me to use the data obtained from them. I also told them that the interview session could enable them to reflect and gain more insight into their governance activities. In another letter, I requested the chairs of governors to inform all the members of their respective governing bodies that I would be observing particular scheduled sessions of their meetings.

Confidentiality and Anonymity: Lewis (2003) distinguished between confidentiality and anonymity in research ethics. She described confidentiality as "avoiding the attribution of comments, in reports or presentations, to identified participants" (p. 67) and anonymity as the "identity of those taking part not being known outside the research team" (p.67). But as earlier mentioned complete confidentiality and anonymity of the

participants in this study could not be guaranteed by me because their initial consent to participate was negotiated on my behalf by the chairs of governors and the university secretaries. This has been identified as one of the problems of researching organisations with gatekeepers (Leblanc and Schwartz, 2007; Lewis, 2003; Miles and Huberman, 1994). However, the participants were assured both in the consent letter and during the interview that their confidentiality would be protected by me in the reports of the study. I ensured that during the interviews I did not disclose the information given by one participant to the others. I further ensured that the interview transcripts of each of the participants and the research reports did not bear their real names but pseudonyms. In the interview transcripts wherever the participants mentioned the names of their institutions and other governors these were replaced with pseudonyms. At the end of the interview session, I obtained the e-mail addresses of the participants from them to enable me have direct correspondence with them.

Representation: I made a concerted effort to ensure that the views of the participants were not distorted or taken out of context when they were used as illustrations in the research reports. I also made certain that the voices of the participants were represented in the report. Furthermore, the interview transcripts were returned to the participants for a validation check via e-mail. This check was conducted to confirm that their accounts were correct as recorded during the interview session and also for them to expand on their views and perspectives (Kvale, 1996) and to return the validated scripts to me. Some of the governors replied through e-mail that the recordings adequately represented their views while some others did not bother to respond.

5.7.0 Validity and Generalisation

The concepts of validity and generalisation have serious resonance within positivistic and quantitative research tradition but concerted attempts have been made by qualitative researchers to apply these concepts to evaluate qualitative studies. Mason (2002) argued that the philosophical perspective of positivism and its accompanying research methodology on which these concepts are based conflicts with the interpretivist view of conducting qualitative research. While Denzin and Lincoln (1998) dismiss the application of these evaluative criteria to qualitative research as irrelevant, Lincoln and Guba (1985) suggested the concepts of 'credibility' and 'transferability' as more appropriate measures. Hammersley (1992)explains that "an account is valid or true if it represents accurately those features of the phenomenon that it is intended to describe, explain or theorise" (p. 69). This implies that applying the concept of validity to qualitative research entails that researchers should be able to demonstrate clearly that their research approach is capable of exploring, identifying, describing and interpreting the various concepts associated with the phenomenon of study (Mason, 2002; Lewis and Ritchie, 2003).

Validity: There are two main aspects of validity that appears to be relevant to qualitative study and these are construct validity and internal validity. Construct validity means that the researcher has been able to operationally describe the various themes and concepts associated with the phenomenon of study in order to identify them during the interviews and observation sessions and also in the data. In this study, I derived the operational descriptions of the various governance themes and concepts from the literature review chapter of this thesis. For example, I had highlighted the different conceptions and debates about accountability in the literature review chapter. This enabled me to identify

them in the field especially when the participants gave different interpretations of the accountability of the university governing bodies.

The internal validity of the study is about determining the extent to which the conclusions represent the collective and individual views of the research participants concerning the phenomenon of study (Hammersley, 1992; Lewis and Ritchie, 2003). In determining the internal validity of this study, I examined the correspondence between the interpretations of the data and the conclusions drawn with the type of data that were collected and the research questions that were proposed which Yin (2003, p. 105) referred to as establishing a 'chain of evidence'. I was also able to relate the characteristics of the case study institutions with certain outcomes of the study. Furthermore, the analyses and interpretation of data were validated through peer review during my presentation of papers at various conferences and seminars.

I also used two types of triangulation techniques to validate the interpretations of this study. I adopted methodological triangulation by collecting data from three sources of data, namely, the university governors, meetings of the governing bodies and documents. I also adopted theory triangulation by using various theoretical perspectives such as corporate governance theories, risk theories and accountability theories and strategy model to interpret the data. For instance, I applied the McNulty and Pettigrew (1999) model of board participation in strategy to the data to determine the extent of involvement of university governors and their governing bodies in the various stages of the strategy process of the institutions. I also used the risk theories to interpret the approach to risk governance adopted by the university governing bodies. All these techniques are intended to strengthen the internal validity of the study.

Generalisation: It is not the purpose of this study to generalise the findings of this study to a wider population but to obtain and portray a rich insight into governance practices within different institutional contexts within the project itself. Since this research is a multiple comparative case study, empirical generalisation of the findings could be made within the sample of this study (Silverman, 2000; Yin, 2003). This type of generalisation is what Simons et al (2003) described as 'situated generalisation' where knowledge generated within a particular context can be utilised within that same context. For example, some of the findings of this study are peculiar to the pre-1992 institutions while others are related to the post-1992 universities in this study. This has implications for policy formulation and practice (Yin, 2003; Mason, 2002). This explains why the characteristics of each of the participating institutions and governing bodies have been described in the next chapter which describes the case study institutions. However, some of these findings are tentative since there was no opportunity to explore some of the themes in greater depths. For example, I could not observe any meetings of the strategy committees or the strategy away-days of the governing bodies so as to determine the specific contributions lay governors make to institutional strategy.

5.8.0 Conclusion

In this chapter, I have located this study within the philosophical paradigm of interpretivism which enables me to explore the perceptions of university governors concerning their governance activities. The research strategy adopted for this study is a comparative multiple case study approach involving seven universities (3 Pre-1992 and 4 Post-1992 institutions) in England and Scotland. The interpretivism paradigm permitted me to adopt interview, observation and document analysis as data collection techniques.

The data were analysed using thematic framework procedure since the study is theme-based. The data were interpreted using the interpretive approach within the specific context of the case study institutions in order to bring about an understanding of the underlying meanings of the constructed approach to governance adopted by university governing bodies in the UK. A description of how the study should be evaluated was given in terms of validity as well as the extent to which the findings can be generalised to specific contexts.

In the next chapter, I present the contextual characteristics of the governing bodies of the case study institutions (i.e., the institutional cases and the country cases) and also make a comparison between each of the two sets of cases in order to understand the extent of convergence and divergence in their governance arrangements. An understanding of some of the contextual characteristics of the governing bodies and the institutions are important in explaining the governance arrangements in these institutions (Bargh et al, 1996; Pettigrew and McNulty, 1995; Heracleous, 2001).

CHAPTER SIX

THE CASE STUDY GOVERNING BODIES AND THEIR UNIVERSITIES: AN INTRODUTION

6.0.0 Introduction

This chapter intends to serve as a prelude to the main empirical chapters of this study.

The purpose of this chapter is to present some of the characteristics of the governing bodies and their institutions that served as my seven case studies. I also presented a comparison of the characteristics of the institutional (Pre-1992 and Post-1992 institutions) as well as those of the country cases (England and Scotland). All the names of the institutions have been anonymised using pseudonyms. This chapter specifically examines the extent of convergence and divergence in the governance arrangements of the governing bodies of the institutions under study within the context of the reforms in public sector and higher education governance in the UK and the corporate governance reforms taking place in the wider society. As a result of these reforms, governance frameworks have emerged with the purpose of guiding the practice of governance in both private sector organisations and public institutions including universities. Such frameworks include the Combined Code on Corporate Governance and the CUC (2004) governance guide for university governing bodies in the UK.

Researchers such as Bargh et al (1996), Pye and Camm (2003), Pettigrew and McNulty (1995) and Heracleous (2001) have emphasised that contextual and historical factors are important in understanding the settings in which governance occurs and these may also be responsible for some of the governance practices adopted by particular governing bodies The information for this chapter came from various documents obtained from the

institutions during the field study and also materials from the websites of the universities. The case studies presented comprise seven university governing bodies in the UK (four in England and three in Scotland with a mix of pre-1992 and post-1992 institutions).

6.1.0 Characteristics of the English Universities

In England, the responsibility for the formulation of higher education policies and the funding of universities rests with the Department for Innovation, Universities and Skills (DIUS). But the task of implementing these policies and the allocation of funds to the institutions lies with the Higher Education Funding Council for England (HEFCE). Through various funding mechanisms, HEFCE is able to ensure the compliance of universities with government policies and directives. In terms of the implementation of the higher education governance reforms, HEFCE directs that university governing bodies should explain in their annual reports on how they have complied with the governance 'best practices' recommended in the CUC (2004) governance framework as well as in the provisions of the Further and Higher Education Act 1992. The Higher Education Funding Council for England would be allocating about £5.989 billion to higher education institutions in England for the 2008/09 academic year (Source: HESA, 2007).

The governing body of an English Pre-1992 university is called a Council while that of a Post-1992 institution is known as a Board of Governors.

In response to the higher education governance reforms, there are certain contextual characteristics that are peculiar to these higher education institutions that could determine the extent to which they comply with recommended governance practices. Enumerated

below are contextual characteristics of each of the two Pre-1992 and two Post-1992 case study institutions in England in this study.

1. University of West Albion, England (Pre-1992)

History of Establishment: The University of West Albion is a single-site institution located in the midland region of England established in the 1960s. It has no previous evolutionary history as an educational institution. But it has a long history of collaboration and partnership with industry and business.

Legal Status: The university was established by Royal Charter granted through the Privy Council as a chartered corporation. The activities of the institution are guided and conducted by the provisions of its charter and statutes. The membership of the university includes lay governors, academic and administrative staff, students and graduates of the institution.

Mission: One important mission of this university is to be among the leading research institutions in the world. It is committed to engaging in high quality research in specific areas of strategic focus. The University of West Albion has a commitment to collaboration with business, industry and the local community and is a big employer of labour within its locality. It is also committed to the government policy of widening participation. It has an annual turnover of about £270m. The university is highly research-intensive and balanced with commitment to excellence in teaching.

Enrolment: The university has a student population of about 16,000 with less than 25% made up of international students coming from about 120 countries worldwide.

Curriculum: The academic programmes of the university are offered in five faculties which include engineering, arts, applied sciences, social sciences and health sciences. All the faculties are research active and with an academic staff strength of about 2000.

Composition and Size of Governing Body: The governing body of the institution is composed of 30 members and 15 of them are lay governors appointed from a diverse range of backgrounds with specific expertise and experience that are required to add value to the entire governance processes of the institution. Lay members of council can serve up to two terms of three years each. Other members of the governing body include the vice chancellor, members of the senior management team, six academics, one administrative staff representative and two student representatives. Members of the governing body are regarded as trustees of the university.

Table A: List of Governors from University of West Albion, England (Pre-1992).

S/N	Name of Governor	University	Sex	Membership Status (Years)	Professional/ Occupational Status	Work status
1	Mr. Lawrence	West Albion, England Pre-92	M	Chair (4)	CEO/IT Cons, Chair of 2 Plc, Lay gov. in 3 schls. Member CUC	Rtrd
2	Mr. Tyler	West Albion, England Pre-92	M	Lay Gov (2)	Former Snr. Public Servant	Rtrd
3	Prof. Joseph	West Albion, England Pre-92	M	Pro-VC (6)	Pro-VC/Prof of Maths	Acti-ve
4	Prof. Simpson	West Albion, England Pre-92	M	Senate Rep (1)	Prof. of Physics/ Dean of Faculty	Acti-ve
5	Prof. Mrs. Kay	West Albion, England Pre-92	F	Pro-VC (2yrs)	Prof. of Accounting	Acti-ve

Committees of Governing Body: The governing body of this institution is served by about eleven committees made up of 8 council committees and 3 joint council and senate committees. The council committees are composed mainly of lay governors with

appropriate skills and expertise and about half of the committees are chaired by these lay members. The chair of governors is a member of at least six of these committees which includes finance, nominations and remuneration committees. This appears to indicate a strong presence and influence of the chair of governors in the governance processes of the university.

The joint committees of council and senate afford internal members of the university to participate in the governance decision-making process of the institution. These committees are composed of mostly staff members with one or two lay governors and are chaired mostly by senior staff such as the vice chancellor, pro-vice chancellors, senior academics, etc. The more the number of joint committees in a university, the greater are the opportunities for both academic and non-academic staff members to participate in governance decision-making.

There is a strategy committee among the three joint committees of this governing body and it is charged with making recommendations concerning strategic issues in the university to both the senate and the governing body. The committee has 21 members made up of two lay governors (which include the chair of governors), 2 pro-vice chancellors and 16 academic staff. In this committee, the academics and the executive may be highly influential in determining the strategies of the institution.

Induction and Development: The newly appointed university governors undergo a process of induction organised by the secretary but there is no evidence to show that they undertake a development programmes. However, the CUC recommends that university governors should attend the development programmes put together by the Leadership Foundation for Higher Education.

Effectiveness Review: The governing body of this university has conducted two effectiveness reviews of its governance practices and its own effectiveness of performance. The reviews were conducted by a governance review panel and assisted by an external review expert through the use of a self-assessment questionnaire given to each governor to present their views.

2. University of Waterloo, England (Pre-1992)

History of Establishment: This university is a single-site campus in England. It has its origin before it was upgraded to a college of technology and later attained full university status. The University of Waterloo has strong collaboratory links with business, industry and the local community.

Legal Status: The university was established by Royal Charter with the approval of the Privy Council around the mid-20th century. Its activities are organised and guided by the provisions of its charter and statutes.

Mission: The university is committed to high level teaching and research that is geared towards meeting the needs of the students and those of the local and national business and industry. It has the intention of moving up the university league table and to be among the best 25 universities in the UK in the 2008 research assessment exercise. The activities of the institution are supported with an annual budget of about £160m.

Enrolment: This university has a student population of about 13,000 students and an international student profile from about 100 countries.

Curriculum: The university offers several academic programmes spread over four faculties such as social sciences, arts, applied sciences and engineering. It has a strong applied research tradition that is geared towards the needs of industry, business and the

local and national economy. Teaching is also a highly valued activity in this university. It has a staff strength of about 1600.

Composition and Size of Governing Body: The governing body of the institution is composed of about 26 members out of whom 14 are lay governors and are in the majority. The lay governors are appointed directly from local, national and internationally and can hold office for a period of two terms of three years each. There is also a constitutional provision for the co-optation of more lay members into the governing body. Four categories of persons constitute members of the governing body. These are the lay governors, the members of the university executive, academics and student representatives. This appears to indicate a collegiate working relationship in the university. The lay governors have served an average of five years as members of the governing body. The chair was appointed directly from outside.

Table B: List of Governors from University of Waterloo, England (Pre-1992)

S/ N	Name of Governor	University	Sex	Membership Status (Years)	Professional/ Occupational Status	Work Sta- tus
1	Mrs Thomas	Waterloo, England Pre-92	F	Lay Gov/ Rep. of Univ Court (6)	Pers Mgt/ Chair, Schl GB. Voluntary work exp.	Rtrd
2	Dr. Blade	Waterloo, England Pre-92	M	Lay Gov (10)	Solicitor/LLb, MD	Acti- ve
3	Mr. David	Waterloo, England Pre-92	M	Lay Gov (3)	Engr/ Fin.Mgt,.	Acti- ve
4	Mr. Carrington	Waterloo, England Pre-92	M	Chair (4)	Univ. Prof./Chartd Acct/ CEO,Dir of Plcs. NED of 3 Plcs. Chair of Govt parastatal.	Acti- ve

Committees of Governing Body: The governance work of the governing body is supported by six standing committees namely audit, nominations, health and safety, alumni board and treasurers committees and about nine joint committees in the institution. There is also a joint research committee that monitors the research activities of the academics and the university as a whole. The main committees of the governing body have a majority of lay governors and are chaired by a lay person. The joint committees have majority of internal staff members with a little lay presence but are chaired by either lay governors or the vice chancellors or other members of the institution. The number of joint committees and the presence of academic and other staff members on these bodies appears to indicate that majority of the detailed governance work is done in these committees and decision-making is participatory. There is no strategy committee in this university invariably the governing body in collaboration with the executive and senate appears to take charge of strategy matters in the university. This

gives all the lay governors and other staff members the opportunity to participate in the strategy process of the university.

Induction and Development: There is no evidence of a formal induction and development programme for governors on the governing body of Waterloo University. However, the report of the review of effectiveness of the governing body recommended that the governors should be exposed to such developmental experiences. The induction and development programmes are intended to enable the university governors to understand and adjust to their new role and environment as well as to acquire more skills and update their knowledge about governance issues in order to increase their effectiveness as governors (Jackson, Farndale and Kakabadse, 2003).

Risk Governance: The risks of the university are governed by the governing body through its audit committee.

Effectiveness Review: The governing body of this university engaged the services of an external assessor to review its governance practice and the effectiveness of its own performance.

3. Liberty Trust University, England (Post-1992)

History: Liberty Trust University is a multi-campus institution and was formerly a college of higher education. It has a long history of mergers to become a university.

Legal Status: This institution became an independent higher education corporation (HEC) through the Education Reform Act 1988 and attained the status of a university and awarding its own degree through the Further and Higher Education Act, 1992 and therefore categorised as a post-1992 institution. The conduct of its activities as an institution is guided by its articles of government and statutes. The institution is governed

by a Board of Governors whose members alone constitute membership of the corporation as provided by the Education Reform Act 1988. All staff of the university are regarded as employees of the institution.

Mission: The mission statement of the university reveals that it is committed to widening participation of previously under represented social groups in higher education and the production of adequately skilled manpower for local economy through co-operation with other further education institutions and small and medium size enterprises within the locality of the university. This commitment is reflected in the strategic plan document of the institutions. The strategic focus of the institution is bolstered with an annual budget of about £80m.

Enrolment: This institution has a population of a little less than 17, 000 students made up of about 30% overseas students and staff strength of about 1,100 persons. The student body is highly multi-cultural from about 120 countries.

Curriculum: Liberty Trust University offers a broad-based curriculum of mostly professional and vocational programmes which is employment-focused to both home and overseas students. The institution concentrates more on teaching than research activities.

Composition and Size of Governing Body: The governing body of Liberty Trust University is composed of a total of 25 members including 19 lay governors appointed mainly from industry, business and the professions. The chair of governors was appointed from outside with the help of a head-hunter firm. The remaining members of the governing body are the vice chancellor, two ex-officio (PVCs), two staff and two student representatives. The lay governors have tenure of two terms of three years each.

Table C: List of Governors from Liberty Trust University, England (Post-1992).

S/N	Name of Governor	University	Sex	Membership Status (Years)	Professional/ Occupational Status	Work Status
1	Mr. Lander	Liberty Trust, England Post-92	M	Lay Gov (6)	Market/CommCEO	Active
2	Mr. Barry	Liberty Trust, England Post-92	M	Chair (1)	Bus/ Acct, CEO, Intl Exp.	Active
3	Mr. Atkinson	Liberty Trust, England Post-92	M	Staff Rep (2yrs)	Bus. Admin	Active

Committees of the Governing Body: There are six committees of the governing body of this university. These are the audit, nominations, remuneration, human resources, marketing and communications; and planning, finance and resources committees. Each of the committees has at least 3 lay governors among its membership and is also headed by a lay governor. The marketing and communications committee is a special committee established to link the university with the local community and international student market, local enterprises and other important stakeholders of the institution. There is no strategy committee in this university.

Induction and Development of Governors: Newly appointed university governors of this institution undergo an induction process by studying an induction booklet distributed to them and through a mentoring approach known as a 'buddy system' on appointment. The governing body appears to recognise the need for the development of governors and therefore also encourages and sponsors interested governors to attend available external training and development courses.

Risk Governance: The audit committee is charged with governing the risks of the institutions on behalf of the governing body.

Review of Effectiveness: The governing body of Liberty Trust University has reviewed its governance practices using the CUC (2004) governance framework as benchmark.

The governance effectiveness of the governing body was reviewed through a self-assessment questionnaire distributed to governors and the executive of the institution by the secretary.

4. Ashgrove University, England (Post-1992)

History of Establishment: This university dates back to the 19th century when it started as a technical institute and by the 1950s it had developed into a college of advance technology. The university is situated in a large commercial and highly multicultural town on a single site campus.

Legal Status: It was converted to an independent higher education corporation by the Education Reform Act, 1988 and attained both degree-awarding and university status through the 1992 Further and Higher Education Act. Its instrument of incorporation is the instrument and articles of government which described how the institution should be conducted. In this higher education corporation the members of the governing body are regarded as members of the corporation while staff are the employees.

Mission: The strategic mission statement of the institution shows that its programmes are geared towards meeting some specific needs of both the local and national economy. It also has a strong foundation degree programme that enables it to be committed to the widening participation of people in higher education which is employment-focused. The university is also committed to establishing and maintaining strong links with local industries, commerce and its immediate community which offers employment to a relatively high percentage of its home graduates. The institution currently supports its strategic goals with a budget of about £80m as revealed in its current financial plan.

Enrolment: It has a student population of fewer than 10,000 and approximately 20% of them are international students from around 100 countries.

Curriculum: The institution offers academic programmes in about five schools in the areas of business and vocational education, language and communications, health sciences, engineering and applied sciences. It is committed to both excellent teaching and collaborates with other universities in specific areas of research.

Composition and Size of Governing Body: The governing body is made up of about 24 governors out of which the majority (14 persons) are lay members appointed as well as co-opted from public bodies, industry, commerce and academia. The university governors are required to serve a single four-year term on the governing body. The chair of governors was elected from among the current lay governors. The vice chancellor is also a member of the governing body. There are two each of academic and non-academic staff and student representatives on the governing body but they can be excluded from participating in certain areas of decision-making.

Table D: List of Governors from Ashgrove University, England.

S/ N	Name of Governor	University	Sex	Membership Status (Years)	Professional/ Occupational Status	No. of Motv
1	Mr. Fratton	Ashgrove, England Post-92	M	Lay Gov (7yrs)	Acct/ Fin. Dir.	Acti-ve
2	Mr. Matthew	Ashgrove, England Post-92	M	Lay Gov (4yrs)	Univ. Admin. MD	Acti-ve
3	Mr. Francis	Ashgrove, England Post-92	M	Lay Gov (8yrs)	MD	Acti-ve

Committees of the Governing Body: The governing body has six committees that report directly to it. These are the nominations, marketing and communications, remuneration, finance and projects, audit, and strategy review committees (which is a joint committee of the governing body and academic board). These committees are composed of a

majority of lay governors and also headed by a lay member of the governing body except for the Strategy Review committee which is chaired by the vice chancellor. Only the few lay governors who are members of this latter committee may have the opportunity of making any tangible contribution to the debates on the strategies of the institution.

The marketing and communications committee is a special body constituted to maintain a collaborative link between the university and external stakeholders. Minutes of meetings of this committee obtained from the website of the university indicates that this committee discusses and monitors strategic issues such as students' block grants and bursaries, student recruitment and retention and tuition fees.

Induction and Development: There is no readily available documentary evidence that the university governors undergo any formal induction on appointment to the governing body. The external lay governors appear to have some experience of corporate governance and business practices since they are mostly appointed from industry and commerce. However, the governing body and senate has established a strong collaborative relationship which encourages lay governors to attend senate meetings as observers to enable them to understand and have a greater insight into the academic side of the business of the university. This could also serve as an induction process for the lay governors. However, they are sponsored to attend various training and development courses such as those organised by the Leadership Foundation for Higher Education. The governing body also organises special briefing sessions aimed at educating its members on strategic issues confronting the university. Such special briefing sessions precede the meetings of the governing body and it lasts for about an hour

Effectiveness Review: The governing body of Ashgrove University has yet to formally review its governance practices and its own effectiveness of performance. However, there is an indication in its annual report that it complies with best practices in corporate governance as recommended in the UK Combined Code of Corporate Governance (2003) and the CUC (2004) governance framework.

Risk Governance: The governing body governs the key risks of the institution mainly through its audit committee.

6.2.0 Characteristics of the Scottish Universities

In Scotland, the Scottish Executive is responsible for higher education policies and funding but this is done through the Department for Enterprise, Transport and Lifelong Learning. This department is in charge of higher education matters in Scotland. However, the execution of government higher education policies and directives as well as the allocation of funds to the universities lies with the Scottish Funding Council for Higher Education (SFCHE). Through various funding formula entrenched in the financial memorandum to the institutions, the funding council is able to enforce the compliance of the universities with government higher education governance policies in Scotland. The Scottish Funding Council for Higher Education has earmarked the sum of £1.138 billion for universities in Scotland for the 2008/09 session (Source: HESA, 2007).

The governing body of universities in Scotland is known as court. This is not the same as the university court in English institutions.

However, contextual factors peculiar to the institutions could engender differences in governance practices among the institutional governing bodies. The characteristics of the

one Pre-1992 and two Post-1992 case study institutions from Scotland in this study are presented below.

1. University of Stokefield, Scotland (Pre-1992)

History of Establishment: The University of Stokefield was founded in the 1960s and is located in central Scotland. It operates as a multi-campus system.

Legal Status: The University of Stokefield was established by Royal Charter through the approval of the Privy Council. The members of the institution include the members of court, conference, the principal, academic and non-academic staff, students and graduates of the university. The conduct of the activities of the institution is entrenched in its charter and statutes. The Charter of the institution specifies the role of the governing body as being responsible for the finances and properties as well as the overall conduct of the institution. It also places the responsibility for determining the strategic direction of the university on the governing body.

Enrolment: The student population is a little less than 10,000 with about 16% of them as overseas students from about 90 countries.

Mission: This university is committed to high level research that is focused on meeting the economic and social needs of the Scottish economy. It is also dedicated to promoting widening participation in higher education backed by innovative teaching. The strategic activities of the university are supported with an annual budget of about £90m.

Curriculum: The university offers academic programmes in the natural sciences, arts, human sciences and social sciences at both undergraduate and post-graduate levels. It has an academic staff strength of about 700 academics.

Composition and Size of Governing Body: The governing body of the institution is called the Court and it is composed of 22 members that include 12 lay governors who form a majority and are appointed from outside the university. Membership of this body also includes the ex-officios such as the principal, deputy principal, and two student representatives. Others are six representatives of the academic council, one member of academic assembly and one representative of alumni association. The chair and lay governors can hold office for two terms of four years each. The chair was elected from among the serving lay governors. The average number of years served by the lay governors is about six years.

Table E: List of Governors from University of Stokefield, Scotland (Pre-1992).

S/N	Name of Governor	University	Sex	Membership Status (Years)	Professional/ Occupational Status	No. of Motv
1	Dr. Miller	Stokefield, Scotland Pre-92	F	Chair (7yrs)	Solicitor/ CEO	Acti-ve
2	Mr. Silberston	Stokefield, Scotland Pre-92	M	Lay Gov (8yrs)	Engr., MD	Acti-ve
3	Prof. Kenneth	Stokefield, Scotland Pre-92	M	Senate Rep(3yrs)	D/Prin/ Prof. of English	Acti-ve

Committees of Governing Body: The governing body has about six committees which include audit, finance and infrastructure, ethics, strategy and resources, appointments and remuneration committees. Each of these committees has lay governors as members and they are also chaired by lay members except the strategy and resources committee which has the principal (vice chancellor) as chair. The strategy committee is made up of 14 members and include only two lay governors and the chair of the governing body. There is a high presence of academics on this committee. All the committees report to the governing body.

Induction and Development: There is induction for new governors which covers a limited range of issues, but there is no readily available evidence of formal training or development programmes for members of the governing body. But the governing body organises some special briefing sessions to up-date the knowledge of the university governors in areas of strategic significance to the university.

Risk Governance: The risks of the university are governed by the governing body through a special committee known as Strategic Risk Management Committee (SRMC).

Effectiveness Review: The governing body of Stokefield University has reviewed its own governance effectiveness which was conducted by a special committee known as the Working Group on Court Effectiveness and assisted by an external assessor considered the extent of compliance of the governing body with the recommended practice in the CUC (2004) governance framework. The review of the effectiveness of the governing is a regular governance practice of this university governing body.

2. University of St. Pancras, Scotland (Post-1992)

History of Establishment: The university is a multi-site campus situated in the west of Scotland. It started as a college of technology under the category of central institutions constituted legally by the Central Institutions (Recognition) (Scotland) Regulation 1988 in Scotland and accredited by the Council for National Academic Award (CNAA) for the of award of degrees with much more emphasis on teaching than research prior to 1992. Before incorporation, this university had experienced a series of mergers with other institutions.

Legal Status: The Education Reform Act (Scotland) 1988 enabled the institution to become an independent corporation while the Further and Higher Education Act 1992

upgraded this institution to the status of a university. The instrument of incorporation of the institution prescribes that the governing body should oversee the general strategic direction of the university, manage the finances and properties of the university and administer the employment of personnel. It delegates purely academic matters to the academic board. Staff are employees of the university while members of the governing body form the corporation.

Enrolment: The university has about 17,000 students out of which about 1,250 are international students from around 100 countries.

Mission: It is committed to providing access to higher education to people from diverse backgrounds in Scotland and internationally. It is engaged in serious collaboration and partnership with a range of businesses, industries, educational institutions and other important stakeholders locally and nationally. The institution has an annual budget of about £80m to support its strategic activities.

Curriculum: The institution offers programmes in about eight schools and covers areas such as media, applied sciences, engineering, education studies, health sciences, business, information science and social sciences. The academic programmes are focused on meeting the needs of industry, commerce, various stakeholders and society. It has about 1,600 academic staff.

Composition and Size of Governing Body: The governing body of the University of St. Pancras has membership strength of 24 governors out of which 17 are lay members appointed from business, commerce, public service and the local community. Lay governors serve a minimum of 3 years and a maximum of 9 years on the governing body which is three terms of three years each. Like all other Post-1992 universities, the

academic representation on the governing body of this university is limited to two persons.

Table F: List of Governors from University of St. Pancras, Scotland (Post-1992).

S/N	Name of Governor	University	Sex	Membership Status (Years)	Professional/ Occupational Status	No. of Motv
1	Bloomfield	St. Pancras, Scotland Post-92	M	Lay Gov (3yrs	Ed.Adm./Snr Manager	Acti-ve
2	Prof. Roberts	St. Pancras, Scotland Post-92	M	Chair (5yrs)	Engr. /Bus/ CEO/Chair	Acti-ve
3	Prof. George	St. Pancras, Scotland Post-92	M	Senate Rep (3yrs)	Prof. of Fin/ Acct	Acti-ve
4	Mr. Richards	St. Pancras, Scotland Post-92	M	Staff Rep (3yrs)	Economics Bus Exec	Acti-ve
5	Mrs Keith	St. Pancras, Scotland Post-92	F	Senate Rep (18 months)	Acad Staff	Acti-ve

Committees of Governing Body: The governance work of this governing body is supported by seven committees namely audit, nominations, remuneration, students affairs, health and safety, honorary awards and policy and resources committees. All the committees have lay representation and lay governors as chairs. There is no strategy committee in this university and strategy is determined by the whole governing body in collaboration with the executive. The student affairs committee is a unique body that is peculiar to this governing body of the seven studied and it is specifically concerned with issues pertaining to the welfare of students generally. This appears to indicate the special focus by the governing body on student matters.

Induction and Development: The governing body organises formal induction for new members which lasts about six weeks. The induction process involves formal briefings on governance issues and the academic enterprise by the chair of governors, secretary to governing body, the principal and deans of faculties. It also uses the mentoring system which they referred to as a "buddy" system where a new governor is attached to a more

senior and experienced governor for the purpose of induction into the governance roles and responsibilities of the governing body. All members of the university governing body are also encouraged and sponsored to attend development programmes organised by the CUC in collaboration with the Leadership Foundation for Higher Education.

The governing body also organises special briefing sessions aimed at educating its members on strategic issues confronting the university. Such special briefing sessions precede the meetings of the governing body and it last for about an hour. As part of the process of up-dating the knowledge of the university governors, the principal briefs them on the activities of the academic board. The chair of governors can also attend meetings of the academic board as observer.

Risk Governance: The governing body governs the university strategic risks through the policy and resources committee (PRC).

Effectiveness Review: The governing body of this university has reviewed the effectiveness of its governance practice using various corporate governance guides in the public domain as well as that of the CUC (2004) as a governance benchmark. According to the chair of governors, the review was conducted by a governance panel constituted for the purpose.

3. University of Gangeshire, Scotland (Post-1992)

History of Establishment: This university is one of the largest single-site institutions with a modern outlook situated in an urban centre of Scotland. Its history as an educational institution dates back to the late 19th century when it started as a college and later developed to a college of technology under the category of central institutions in

Scotland. The university as presently constituted is a merger of two educational institutions.

Legal Status: The university was incorporated into an independent higher education corporation by the Education Reform Act, 1988. It was later constituted as a full-fledged university by an Act of Parliament in 1993 which was based on the enactment of the Further and Higher Education Act 1992. The membership of the corporation is limited to members of the governing body which is known as court. The staff are regarded as employees of the institution.

Mission: One mission statement of the university is that it is committed to being a university that offers academic programmes with special focus on producing employable graduates that meets the skills demands of the economy. It is also committed to maintaining strong links with commerce and industry locally and internationally. The university has a current annual budget of just under £100m.

Curriculum: The university offers academic programmes in six faculties which includes health sciences, information technology, engineering, business, environmental science and social sciences. The teaching and research activities of the institution are focused on meeting the practical needs of its students, stakeholders in business, industry, community and government.

Enrolment: The university has over 17,500 students which include about 11% overseas students from about 100 countries worldwide.

Composition of Governing Body: The governing body of University of Gangeshire is composed of 18 members including 12 lay governors, the principal, two academic and one non-academic staff representatives and one student representative. The lay governors

are appointed from business, industry, the professions, local community and academia. Both the chair and lay governors can serve for three terms of three years each up to a maximum period of nine years. The current lay governors have served an average of 5 years on the governing body.

Table G: List of Governors from University of Gangeshire, Scotland (Post-1992).

S/N	Name of Governor	University	Sex	Membership Status (Years)	Professional/ Occupational Status	Work Status
1	Mrs. Carlton	Gangeshire, Scotland Post-92	F	Lay Gov (4)	Law/Health Snr. staff	Active
2	Mr. Maclaren	Gangeshire, Scotland Post-92	M	Lay Gov (6)	Accountant NED	Active
3	Mr. Charles	Gangeshire, Scotland Post-92	M	Chair (1)	Engr./Market/ CEO/NED	Active
4	Mr. Lagerfield	Gangeshire, Scotland Post-92	M	Lay Gov (7)	Acct/Mgt Con/ CEO/Chair	Active

Committees of Governing Body: The detailed work of the governing body is delegated to about six committees which include the audit, finance and general purpose, court membership, remuneration, health and safety, and staff policy committees. These committees are composed of mostly lay governors and chaired by a lay member. There is no special strategy committee in this governing body. This appears to imply that all members of the governing body could have the opportunity to contribute to the strategic debates of the institution.

Induction and Development: The governing body organises a detailed orientation for new governors which lasts about six months and also sponsors all its members to attend training and development programmes organised by the Leadership Foundation for Higher Education. As part of the education of governors, the governing body organises special briefing sessions on issues of strategic importance to the university prior to the commencement of the meeting of the body.

Effectiveness Review: A look at the governance website of this university shows that up to three reviews have been conducted by this governing body in the past and have resulted in a comprehensive documentation of its governance structures and processes as well as roles and responsibilities. The regular review of governance practice, effectiveness of the governing body, committees and individual governors is an entrenched practice in this institution. The chair of governors also evaluates the performance of the chairs of committees based on the achievement of some pre-established objectives for the committees.

6.3.0 Comparison of the Case Study Institutions

In this section, I have attempted a comparison of the characteristics of the case study institutions in order to highlight the divergence in their governance structures and processes based on the same dimensions used for the individual institutions. I will first of all make a comparison of the country cases and then the institutional cases. In the country cases, a comparison is made between the English and Scottish universities while in the institutional cases it is between the Pre-1992 and Post-1992 institutions in this study.

6.3.1 Country Cases

In the country cases, there are four English and three Scottish case institutions in this study as highlighted in the preceding section. A comparison between these institutions showing their differences along three contextual dimensions is presented below.

Type of Campus: Most of the English universities (3 out of 4) in this study are situated in single-site campuses, whereas the Scottish institutions (2 out of the 3) are cited in multi-site campuses. The multi-campus nature of the Scottish institutions in this study could be as a result of the various merger arrangements they had with other educational

institutions in the history of the universities. However, this does not mean that all English and Scottish universities are cited on single and multi-campuses respectively.

Composition and Size of Governing Body: The governing body of the English universities is known as council (or board of governors in the post-1992 institutions) whereas in the Scottish institutions it is called Court. This is however, different from the University Court in English universities which is more like a stakeholder forum that is provided for in the charters of the institutions.

In this study, the size of the governing bodies of the English universities in terms of number of members is larger than those of the Scottish institutions. For the English universities it ranges from 24 to 30 members while in the Scottish institutions the range is from 18 to 24 members. However, the governing bodies of the three Scottish institutions in this study seems to comply with the lay majority recommended by the Dearing Report (1997) and the CUC (2004) governance guide for university governors. But it appears the size of some of the governing bodies in the English universities exceeded the number recommended by Dearing (1997).

In terms of the tenure of university governors, the lay governors in the English universities could serve from 3 to 6 years on their governing bodies, whereas in Scotland they can serve between 3 and 9 years. The number of years of service of lay governors depends on the provisions in the statutes of each of the universities.

The mode of appointment of three of the chairs of governors in the English universities is mostly by direct appointment from outside the institution but in the case of University of Ashgrove, the chair was elected from among the current lay governors. All the governing bodies of the Scottish institutions in this study elected their chairs from among the

serving lay governors. However, the mode of appointment of the chairs of governors would depend on the specific provision in the statutes of the individual universities.

Committees of Governing Body: Among the participating institutions in this study, the strategy committee appears to be a governance structure that is more common to the governing bodies of the English universities than those of the Scottish institutions. This committee is usually composed as a joint committee of the governing body, the executive and the senate of the institutions. But the composition of this committee shows that there are more academics than lay governors on it and it is usually chaired by the vice chancellor. The lay membership of this committee appears to be limited to only 2 or 3 persons. This could mean that the strategies of the universities where this committee exists would be determined and influenced more by the academics than the lay governors. But at the same time the strategy committee would limit the participation and contributions of the majority of the lay governors to the strategic debates and decisions of the university during the strategy process since most of them are not members of this committee.

Risk Governance: In governing the risks of the university, the governing bodies of the English universities in this study delegated this function to their audit committees while in the three Scottish institutions, risk is governed on behalf of the governing bodies by some other committees.

6.3.2 Institutional Cases

There are three Pre-1992 and four Post-1992 case institutions in this study as highlighted in the previous section. A comparison examining the contextual differences between the institutional case studies along nine dimensions is presented below.

History of Establishment: The Pre-1992 universities are those institutions that were established some 30 to 300 years ago (Ackroyd, 1999) before the expansion of the higher education system in the UK in 1992. In England, the Post-1992 institutions were the former polytechnics which were funded by and under the control of Local Education Authorities and were made independent higher education corporations by the legislation of the Education Reform Act 1988. In Scotland, the Post-1992 institutions were the former colleges of technology that were constituted as central institutions by the Central Institutions (Recognition) (Scotland) Regulation 1988. The polytechnics in England and central institutions in Scotland offered academic degree programmes validated by the Council for National Academic Awards (CNAA). By 1992, these institutions were upgraded to the status of university and granted degree awarding powers through the enactment of the Further and Higher Education Act 1992.

The Pre-1992 universities in this study are located on single-site campuses while the Post-1992 institutions are mostly situated on multi-site campuses. Almost all the Post-1992 universities in this study are cited on multi-campuses as a result of their mergers with other higher educational establishments in order to form a university and at the same time to become competitive with others in the sector. Most of the Pre-1992 universities in this study operate on single-site campuses because they appear to have the resources more than their Post-1992 counterparts to develop their infrastructures on one site. But

these characteristics may not be typical of all the Post-1992 and Pre-1992 universities in the UK.

Legal Status: The Pre-1992 universities in this study were established by Royal Charter granted through the Privy Council and are therefore known as chartered universities as a result of their mode of incorporation. The Post-1992 institutions were established through incorporation by the Education Reform Act 1988 and granted university status by the Further and Higher Education Act 1992. They are referred to as higher education corporations as a result of their incorporation. While the Pre-1992 universities are governed by charters and statutes, the Post-1992 institutions are conducted by instrument and articles of government. The law establishing the Pre-1992 and Post-1992 universities are quite different and this appears to have implications for the ways they are governed and managed, their mission statements and the roles they are expected to play in society. In the Pre-1992 universities, membership of the institution comprises the members of the governing body, members of the University Court, staff, students and graduates of the university but in the Post-1992 institutions, membership of the corporation is limited to only members of the governing body. This appears to have implications on their participation in the governance of the institutions because those in the Pre-1992 universities are better represented on the governing bodies of their institutions than their Post-1992 counterparts. These are all provided for in the various instruments of incorporation of the universities.

Mission: The mission statements of the three Pre-1992 universities seems focused more on their research activities and they have an average annual budget of about £180m. On the other hand, the four Post-1992 universities appear committed to teaching and

widening participation and have smaller annual budgets to support their activities despite having more students. The higher budgets of the pre-1992 over the post-1992 institutions in this study may be because they are research-intensive and attract a lot of research funds from the higher education funding councils, the research councils and from collaborative activities with large industries. This is in addition to receiving funds for teaching from the funding councils. However, some Post-1992 universities in the UK are becoming research-intensive too.

Enrolment: In the Pre-1992 universities in this study, student enrolment ranges from 10,000 to 16,000 with an average of 13,000 students while in the Post-1992 institutions student population is between 10,000 and 17,500 with an overall average figure of 15,000 students. The higher enrolment figures of students in the Post-1992 institutions seem to be a reflection of their commitment to widening participation of more persons in higher education as entrenched in their mission statements. However, this does not mean that their Pre-1992 counterparts do not engage in widening participation activities.

Composition and Size of Governing Body: In terms of composition of their governing bodies, the Pre-1992 universities have a wider range of members than the Post-1992 institutions whose members are limited to mainly persons from business, industry and professions. Also, there are more academic staff representations (at least six academics) on the governing bodies of Pre-1992 universities than those of Post-1992 institutions (one or two academics). This difference in number appears to suggest that academics in the Pre-1992 universities participate in governance more than their colleagues in Post-1992 institutions. The instrument of government of the Post-1992 institutions that provides for a unicameral governance structure (Shattock, 2006; Lapworth, 2004) even excludes

academics, students and other staff members from being members of the governing bodies of their universities, therefore restricting their participation in university governance (Lapworth, 2004). But some of them have amended their statutes in order to include one or two staff and student representatives on their governing bodies.

Moreover, in terms of size, the governing bodies of the Post-1992 universities in this study are smaller than those of the Pre-1992 institutions. The size of the governing bodies of the Post-1992 institutions is between 18 and 25 persons while those of the Pre-1992 universities range from 22 to 30 members. This appears to indicate that the Pre-1992 universities still has fairly bigger governing bodies than the Post-1992 institutions which conform more to the pattern recommended by the Dearing report (1997) which sets the maximum size at 25 members. The larger size of the governing bodies of the Pre-1992 universities appears to emanate from the structure provided in their charters and statues prior to the higher education governance reforms. Some of the governing bodies of Pre-1992 universities had as many as 25 to 60 members (Bargh et al, 1996) made up of mostly academics prior to the higher education governance reforms which appears to show that they have not fully complied with the recommendations of the Dearing Report (1997) on the size of these bodies.

Induction and Development: Induction and development of university governors are common features of these Post-1992 universities and intended to keep governors informed of their governance roles and responsibilities and developments in governance matters as well as issues within the higher education sector. The induction process for governors in these institutions is usually comprehensive and could last between 6 weeks to 6 months depending on the institutions. The governors are also encouraged and

sponsored to attend governor training and development programmes and courses organised by the Leadership Foundation for Higher Education in collaboration with the Committee of University Chairmen and the higher education funding councils.

In the Post-1992 universities induction and development appears to be dealt with formally by the governing body. But the lack of information on this issue from the Pre-1992 universities does not necessarily mean that the governors do not undergo such orientation and development programmes. Sometimes these issues are left to the individual governor to decide for themselves and while at other times they are handled informally by the governing bodies.

The minutes of meetings obtained from the websites of the Post-1992 universities also appear to indicate that a common governance practice that is aimed at improving the quality of information received by the governors and which is also intended to build their governance capacity is the special briefing sessions held by the Post-1992 institutional governing bodies on issues of strategic importance to the universities. These briefing sessions usually take place before or after the main governing body meetings and could last about an hour. The governing bodies of most of these Post-1992 institutions have also established special collaborative working relationships with the academic boards of their institutions which require lay governors to attend meetings of the academic board as observers. This appears to be aimed at ensuring collaborative working relationships between the two bodies and to enable the lay governors to understand and appreciate the academic side of the university enterprise. There is, however, no indication of these practices in the Pre-1992 universities. This could be as a result of the provisions of their

legal framework that attempted to separate university governance by the governing body from academic governance by the senates of the institutions.

Review of Effectiveness: The review of the effectiveness of the governance practices and the performance of the governing body is intended to identify areas of weaknesses for improvement. It is a health check for the governance activities of the university governing body. All the governing bodies in this study have reviewed their effectiveness at least once in the last two years in compliance with the recommendations of Dearing Report (1997) and CUC (2004). The governing bodies of the Pre-1992 universities in this study mostly use self-assessment questionnaire distributed to all members to complete and engage the services of external assessors to assist in reviewing the effectiveness of their governance practices as well as their own performance as a body. The use of external assessors could introduce some objectivity and more validity into the entire effectiveness review process since self-assessment have been noted for its potential for biases (Ingley and van der Walt, 2005; Schimdt and Brauer, 2006). But in the case of the Post-1992 universities, the review is internally conducted either by the secretary of the governing body or by a special panel appointed for the purpose.

6.4.0 Conclusion

In this chapter, I have highlighted some of the characteristics of the individual governing bodies and their institutions in this study along eleven different contextual dimensions. The information given relates to the institutions that form the sample of this study which may not necessarily represent the whole system of higher education in the UK. I have also examined the characteristics of the institutional and country cases through a comparison of Pre-1992 and Post-1992 institutions and English and Scottish universities

in this study. The information for this chapter was obtained from the documents that emanated from the institutions and materials on the websites of the universities. The characteristics of the institutions participating in this study show that they have diverse backgrounds as a result of their histories and constitutional frameworks. Although the governing bodies of these institutions tend to adopt a similar approach to governance as recommended by the UK combined code on corporate governance and the CUC (2004) governance framework for university governing bodies in the UK, this does not mean that they necessarily have a common approach to governance as we shall see in the subsequent three empirical chapters.

The next three empirical chapters of this thesis, I presented the outcomes of the analyses of data obtained during the fieldwork of this research. Chapter six is a presentation of the interpretation of data concerning the recruitment of the university governors, their motivations for participation in university governance and their perceptions of the governance roles of their governing bodies. Chapter seven is about the presentation of the findings on the strategy and risk governance roles and practices of the university governing bodies. Chapter eight is about the findings of the study on the perceptions of the university governors concerning the accountability and review of the governance effectiveness of their governing bodies.

CHAPTER SEVEN

WHO ARE GOVERNORS AND HOW ARE THEY SELECTED?

7.0.0 Introduction

The higher education reform reports of Jarratt (1985), Dearing (1997) and the Education Reform Act, 1988 specifically recommended that university governing bodies be composed of a majority of external lay members appointed mainly from business, industry and the professions, because of their skills, knowledge and expertise in corporate governance and management issues to enable them to entrench a managerial and enterprise culture in these institutions. The growing importance of lay-dominated governing bodies has also increased with the emergence of an enterprise culture and the subsequent managerialisation of higher education institutions which are an extension of the wider reforms taking place in the public sector in the UK (Bargh et al, 1996, Deem, 1998).

The purpose of this chapter is to examine some related themes concerning persons who are university governors, such as their educational and occupational background characteristics, their perceived motivations for participating in university governance, how they are recruited and appointed as members of university governing bodies, how they perceive their governance roles and their perception of the distinction between their governance roles and the management roles of the executives of the institutions.

The data obtained for this study were analysed, explained and interpreted by drawing on the relevant theoretical and empirical literature about these issues and how they relate to the governance reforms in the higher education sector in UK.

7.1.0 Governors' Background and Motivation

In this section, I examined the demographic characteristics of lay governors and their motivation for participating in university governance. Out of the 27 university governors that took part in the study, 19 lay governors were interviewed on their background characteristics and motivations for becoming university governors. The remaining eight persons are internal members of the governing bodies.

7.1.1 Governors' Educational and Occupational Background

The data on the background characteristics of 19 lay university governors were obtained from them during the interview as well as from documents emanating from the universities and the websites of the institutions when they are available.

All the lay governors in this study have educational qualifications of a first degree and above, distributed across the arts/social science and the science/engineering disciplines. Two of the lay governors have attained the rank of professor but are engaged in business and industry. Bargh et al (1996) also found similar educational characteristics of the university governors in their study of the composition of governing bodies in the UK.

About 12 of the lay governors were found to be still engaged in employment of various kinds while 7 others are persons who have retired from active working life. Eleven of the lay governors are chief executives, managing directors or senior managers in their various employments while 4 are non-executive directors (NEDs) in firms of different types and the remaining 4 lay governors are from other sectors of the society. The lay governors are mainly from the professions, industry and commerce and they appear to be high in occupational status. Bargh et al (1996) also found similar occupational characteristics among the lay governors of universities in the UK in their study.

In terms of the educational and occupational characteristics of the lay governors, there were no observed differences between those from Pre-1992 and Post-1992 institutions and also those from English and Scottish universities.

These findings are consistent with those of Smith (1994) when in his review of literature on voluntary participation observed that people engaged in governance activities possess both high levels of educational and occupational characteristics. These background characteristics of the lay governors and chairs of university governing bodies in this study appear to mimic the corporate model of board composition in business organisations. The occupational backgrounds of these lay governors are also consistent with the recommendations of the HE governance reform reports of Jarratt (1985) and Dearing (1997) and the Education Reform Act, 1988, that lay persons with background and experience in business, industry and professions should be appointed or even co-opted onto university governing bodies. One implication of this observed semblance in the background characteristics of lay governors of the university governing bodies in this study with those of non-executive directors of boards of business organisations is that they may have similar views on corporate governance and management practices which the various government initiated HE reforms advocated.

After knowing the educational and occupational backgrounds of those who are lay university governors, it was also important to examine why these categories of persons chose to participate in the governance of universities. In the next sub-section, the perceived motivation of university governors to participate in institutional governance was examined.

7.1.2 University Governors' Motivation

In this sub-section, data was generated from the interviews with 24 respondents and were analysed for the perceived motivational factors associated with their voluntary participation in university governance. A total of 34 motivational factors were perceived by the 24 university governors (made up of 19 lay and 5 internal governors) out of 27 that took part in the study. Data from the remaining three governors were not available because they prefer to talk about some other governance issues than their motivation for participation in governance.

Based on insight from the literature on motivation for participation in voluntary activities, the 34 motivational factors were conceptually grouped together to form a motivational typology of six motivational categories as shown in Table 1 below.

Table H: Motivational Typology of University Governors

S/No	Motivational Categories	Motivational Items
1	Development of Governing Board/University (12 Items)	- To contribute to development of university. - To widen access/increase participation in university. - To identify with vision and aspiration of university. - To raise level of corporate governance. - To use experience of governance and management to develop university. - To ensure university adopts good governance and management practices. - To put in place good governance practices. - To ensure equity in personnel administration. - To use professional knowledge to raise funds and create access. - To give external view/ perspective to decisions of governing body. - To offer a view on decisions of university. - To help due to many years of business collaboration with university.
2	Personal Benefits (14 Items)	- Appeal of working in higher education sector. - To understand governance and management of higher education institutions. - To be associated with an important public institution. -Invited to join governing body by Principal/Registrar/Chair/other governors. - Strong affection to serve the university. - To get involved in public sector governance and management. - Happy to be part of university. - Governing body is where to influence the decisions of the university. - Appeal of joining a university at retirement. - Personal attachment to institution as a result of living close to university. - Be part of the ultimate decision-making body of the university. - To widen experience of chairing a public organisation - To know more about higher education sector. - Interested in how a university works.
3	Development of Community/ Society (3 Items)	- To give access to people and under-represented groups to obtain university education. - To safeguard and ensure effective utilisation of public funds. - To ensure audit processes are working well.
4	Previous Relationship (2 Items)	- Had previous business relationship with university - Had previous social relationship with university when conferred with honorary degree.
5	Representational (1 Item)	- To represent Senate, to represent the staff.
6	Responsibility (1 Item)	- Part of job responsibility

Majority (18 out of 24, i.e., 75%) of the respondents have multiple motivations for joining their respective university governing bodies and most of the university governors

in this category were lay governors. For example, My Lander, a lay Governor of Liberty Trust University, England (Post-1992) perceived such multiple motivations thus:

> *"I got involved with the university on the basis that I want to try and get more access to people who do not have 5 GCSE. This university had a track record of doing that....."* **(1).** *I asked if I could help with involvement and participation to people who would not normally come to university. I had an interest in that particular area and I still do"* **(2).** *"I was recommended by another governor because of my commercial skills because the university was perceived to have weakness in commercial activities..."* **(3).** *I had helped them pull together some commercial activity to raise some sponsorship money for the university in the past"* **(4).**

Less than a third (6 out of 24, i.e. 25%) of members of university governing bodies gave only one motivational factor. The respondents in this category were mainly representatives of senate/academic board, alumni of the universities, ex-officio members, members of university courts and a few lay governors who were co-opted into the governing bodies to perform some specific tasks. The findings on multiple motivations of governors is consistent with those of earlier studies conducted by Smith (1994), Deem et al (1995) and Bargh et al (1996) on educational governance which suggest that persons who voluntarily participate in the activities of organisations perceive multiple motivations for doing so. Bargh et al (1996) had argued that such multiple motivations are able to sustain the interest and commitment of university governors to the task of governance over a long period of time. Multiple motivations may also enable the governors to engage in several activities in the course of governing their universities.

TABLE I: No. (%) of University Governors in English and Scottish Institutions in Different Motivational Categories

S/N	Motivational Categories for Joining Governing Board	No. (%) of Governors in Motivational Categories		
		English Universities	Scottish Universities	Total
1	Development of Governing Body/University	8 (62%)	7 (64%)	15 (63%)
2	Personal Benefits	9 (69%)	7 (64%)	16 (67%)
3	Representational	3 (23%)	3 (27%)	6 (25%)
4	Development of Community/Society	1 (8%)	*3 (27%)	4 (17%)
5	Previous Relationship	4 (31%)	-	4 (17%)
6	Responsibility	2 (15%)	-	2 (8%)

No. of Governors in English Universities - 13

No. of Governors in Scottish Universities - 11

TABLE J: No. (%) of University Governors in Pre-1992 and Post-1992 Institutions in Different Motivational Categories

S/N	Motivational Categories for Joining Governing Board	No. (%) of Governors in Motivational Categories		
		Pre-1992 Universities	Post-1992 Universities	Total
1	Development of Governing Body/University	5 (45%)	*10 (77%)	15 (63%)
2	Personal Benefits	8 (73%)	8 (62%)	16 (67%)
3	Representational	4 (36%)	2 (15%)	6 (25%)
4	Develop of Community/Society	1 (9%)	3 (23%)	4 (17%)
5	Previous Relationship	3 (27%)	1 (8%)	4 (17%)
6	Responsibility	2 (18%)	-	2 (8%)

1. Development of Governing Body/University: Twelve motivational factors were classified under this category and they are concerned with the perceived motivation by the respondents for wanting to contribute in one way or another to the development of the governing body and the university. The respondents think that the knowledge and experiences they possess will enable them to perform a developmental role in the university. The motivational factors under this category are internally-directed towards the university.

A little bit more than half (about 63%) of the number of respondents was motivated by the motivational factors in this category (Table I). For example, a lay governor of the University of Gangeshire, Scotland (Post-1992, Mr. Lagerfield expressed his motivation to join the governing body as the desire *"...to use my knowledge and experience to bring understanding of governance and management issues in private sector to contribute to the development of the governing body"*. Such expressed confidence by individuals in their ability to cause change is described as efficacy by Inglis and Cleave (2006), Smith (1994), Widmer (1985) and Wandersman et al (1987) in their respective studies on voluntary participants. Bargh et al (1996) in their study also found some elements of perceived efficacy among members of university governing bodies in the UK. The majority of those who were motivated by this motivational component are mainly external lay members of their university governing bodies whose backgrounds are from industry and also have knowledge and experience in corporate governance and management issues.

The motivations of the respondents in this motivational category could also be described as altruistic because they expressed their being motivated by a concern to contribute to

improving the governance practices of their governing bodies as well as developing the institutions. This aspect of the developmental motivation can be referred to as altruism. Widmer (1985) described altruism as the "concern for others as opposed to the concern for self" (p. 11). This altruistic motive was also found to be a very strong reason for persons who voluntarily participate in group and organisational activities (Widmer, 1985; Smith, 1994; Inglis and Cleave, 2006; Deem et al, 1995; Bargh et al, 1996; Taylor et al, 1991).

There is no noticeable difference between English and Scottish institutions in the number of respondents motivated by developmental factors in this category (Table I). However, more respondents (about 77%) from Post-1992 universities than those from Pre-1992 institutions (45%) appear to express the need to contribute to the development of their governing bodies and institutions as reasons for participating in the governance of their universities (Table J). This difference may be attributable to the need for immediate and rapid development in Post-1992 institutions in order to catch up with their well-established Pre-1992 counterparts since competition is being encouraged among British higher education institutions by government.

2. Personal Benefits: Fourteen motivational factors that are conceptually similar were grouped under this motivational category. The motives pertain to issues that will personally benefit the respondents or enhance their psychological well-being through participation in the governance of their institutions.

About two thirds (67%) of respondents claimed they were motivated to join their respective governing bodies in anticipation of some intangible personal benefits that will accrue to them as they participate in the governance of the institutions (Table I). These

personal benefits, derived from participating in governance may result in a sense of inner satisfaction for the governors. A lay governor of the University of Waterloo, England (Pre-1992), Mrs. Thomas expressed her motivation to serve on the governing body of her institution as the personal desire to know more about the functioning of a higher education system thus: *"I have been interested in how a university works in more details"*. An ex-officio member of the governing body of University of West Albion, England (Pre-1992), Prof. Joseph is of the view that he is motivated *"to serve as part of the ultimate decision-making body of the university"*.

There is some difference between respondents from Pre-1992 universities and those from Post-1992 institutions with the former having a higher percentage (73%) over the latter (62%) in their perceived motivation to participate in governance by intangible personal benefits that would accrue to them (Table J) which could be a coincidence. One reason for this could be that Pre-1992 universities have a higher status and are more prestigious than the Post-1992 institutions and people are more likely to want to identify and be part of the success stories of these institutions. A look at the academic activities the three Pre-1992 universities in this study (see Chapter 6) shows that they have a high reputation in some areas of research and are widely recognised for a particular brand of academic programmes, products and services they offer to big multinational firms and society. This type of motivation is what Clary et al (1998) and Inglis and Cleave (2006) in their independent studies referred to as enhancement of self which they described as attitudes and behaviours that are intended to give some intangible benefits to a person.

3. Development of Community/Society: Three motivational factors from the accounts of the respondents fall under this category. These are attitudes and behaviour of the university governors that are aimed at developing society through participation in the governance activities of the universities governing bodies. This particular motivator is directed at helping persons in the community or society to benefit from higher education. The respondents think that by serving on the governing body of a university they may be able to create opportunities within the institutions for people in the society to benefit from university education. In this case, the motives for participating in university governance are externally-directed at individuals in the community and society.

Less than a quarter (17%) of the total number of respondents claimed to be motivated by this motivational category (Table I). A lay governor, Mr. Silberston from the University of Stokefield, Scotland (Pre-1992) expressed this motivation thus: *"...to create opportunity for people to benefit from university education"*.

The data, however, shows that more respondents from Scottish universities (27%) than English institutions (8%) appear to be motivated by their desire to develop their communities and society (Table I). This country difference might be a reflection of the community orientation of Scots in general.

Table J also shows that respondents from Post-1992 institutions (23%) were more motivated by this motivational category than those from Pre-1992 universities (9%). Their motivation to serve on the governing bodies may be their response to the UK government policy on fair access and widening participation of traditionally under-represented social groups in higher education. Widening participation as a strategic objective of the Post-1992 institutions in this study is highlighted in their mission

statement as indicated in Chapter 6. Their comparably high student population over those of the Pre-1992 universities is a reflection of this commitment. The policy is aimed at addressing the issue of equity and social inclusion in British society and to raise the level of educational attainment of the target groups. It may not be surprising for university governors in the Post-1992 to be motivated to serve on the governing bodies of their institutions in order to ensure their communities benefit from the policy objectives. The governors may also have the attitude towards community development and choose to exercise them in relevant higher education institutions. This confirms the study of Inglis and Cleave (2006) that board members rated community service highly as a motivating factor for voluntary participation in board governance. The participation of lay governors in governance of educational institutions in order to contribute to the development of society and the immediate community can be attributed to what Deem et al (1995) described as a 'career' in active citizenship. The concept of active citizenship as related to the participation of citizens in the governance of educational institutions is a UK government policy which confers on them the powers to be involved in making decisions concerning the production of educational services for the economy and consumers in the society. The concept of active citizenship is also conceived by Bargh et al (1996) as being operationalised through voluntary lay involvement in university governance.

4. Previous Relationship: The two motivational factors are included in this category. Under this motivational category, respondents expressed the desire to join their university governing bodies in order to advance and strengthen previous business or social relationships they had established with the universities through participation in the governance of the institutions. Less than a fourth of the respondents (3 persons) in this

study expressed this motivation (Table I) although this number may be too small to support this claim. For example, a chair of governors of the University of West Albion, England (Pre-1992), Mr Lawrence said he was motivated to join the governing body in order to continue his long standing relationship with the institution thus: *"I've been involved with the university for 30 years. I got involved through collaboration with the university on an area of research relevant to one of my companies. I want to continue in the area of governance too..."*

More respondents from Pre-1992 universities (27%) than their counterparts in Post-1992 universities (8%) appear to be motivated by items in this motivational category (Table J). The reason for this may be because the Pre-1992 institutions are older and more prestigious and therefore may have attracted more people to establish close business or social ties with them and such persons would want to continue the relationship by voluntarily participating in the governance of the institutions (Smith, 1991; Taylor, Chait and Holland, 1991). Another probable reason could be that since Pre-1992 institutions are older they may also have a stronger alumni association. Alumni are noted for their overwhelming interest and moral commitment to helping their alma mater achieve its goals and aspirations (Taylor, Chait and Holland, 1991; Mael and Ashford, 1992 and Tom and Elmer, 1994).

5. Representational: Only one motivational item was conceptually identified as belonging to this motivational category and this applies to mostly the institutional governors. The respondents say they join the university governing body because they were nominated by a statutorily recognised body within the institutions. However, the co-opted lay governors in this study did not mention that they were motivated to represent

any constituency or even the governing body that co-opted them to participate in the governance activities of the university.

About a fourth (25%) of respondents perceived that they were motivated to join the governing body because they were nominated by their constituencies (Table I). A staff governor from the University of Stokefield, Scotland (Pre-1992), Prof. Kenneth says he joined the university governing body because he is *"an elected representative of academic council"*.

More respondents (36%) from Pre-1992 universities than their Post-1992 counterparts (15%) joined the governing body because they were elected to represent their constituencies (Table J). This apparent difference between the institutional cases may be attributable to the fact that in Pre-1992 universities there is a constitutional provision for some formal groups in the institutions such as senate, students, staff bodies and alumni to be represented on the university governing bodies thereby making governance decision-making a democratic process. In Post-1992 institutions, there is no statutory provision for such representations but some governing bodies have requested staff and student bodies to nominate one or two of their representatives to join in the task of governance which Dearing (1997) recommended. In the Pre-1992, as in Post-1992 universities, the number of such representations on institutional governing bodies has been reduced drastically over the years as a result of the recommendations of the Jarratt Report (1985) and the Dearing Report (1997) on HE governance reforms. This appears to be a perspective of the New Right political ideology of NPM of the Conservative government and the modernisation agenda of the New Labour government in public sector institutions which allows for some form of participatory decision-making by multiple stakeholders from in

and outside the organisation in decision-making in public institutions. It also aims to give more voice to the users and consumers in services and products they consume (Newman, 2000; Deem et al, 1995, Bargh et al, 1996). Representation allows for participatory decision-making in governance of institutions. Bargh et al (1996), in their study also observed that the internal (staff) governors perceived this representational and participatory motivation as a most influential factor for joining their governing bodies.

6. Responsibility: The motivational item in this category is that being a member of the university governing body is part of the official job assignment of the individual. The ex-officio governors were mainly motivated by this motivational factor. For example, the position of deputy vice chancellor confers automatic membership of the governing body on the incumbent.

Only 8% of respondents say the reason they are part of their university governing bodies is because their official job positions statutorily make them members (Table I). In this study, the respondents who gave such a reason are mainly ex-officio members of the executive of the universities. An ex-officio member of the University of West Albion, England (Pre-1992), Prof. Joseph expressed this reason thus: *"I'm there because of my posting as Pro-VC. It is part of the responsibility of my job"*. Widmer (1985) and Smith (1994) also observed that some of the board members in their respective studies had expressed similar employment reasons for joining the governing boards of their organisations.

In the next section, I presented empirical findings on the mode of recruitment of lay governors into the seven university governing bodies in this study.

7.2.0 Recruitment of Lay Governors

University governing bodies in the UK are composed of external lay people, internal ex-officio members who are members of the university executive management, internal staff members who are representatives of senate, academic and non-academic staff bodies, representatives of the student body as well as representatives of university courts (as in English universities). The higher education governance reform reports (Jarratt, 1985; Lambert, 2003) recommended that the composition of university governing bodies be made up of majority of external lay governors recruited mainly from business, industry and the professions with very few from other sectors of the economy. These persons were also to be recruited based on the possession of specific knowledge, skills, expertise and experience that would meet the governance and management needs of the governing body and the university (Jarratt, 1985; CUC, 2004). These recommendations are consistent with those of Cadbury (1992) and Higgs (2003) reports on the reformed corporate governance that is taking place in business and industry. The representatives of internal statutory bodies are usually nominated to the governing bodies through an electoral process while the ex-officio members who are the vice chancellors/principals and deputy vice chancellors/principals are automatic members of the governing bodies by virtue of the positions in the institutions.

In the previous section of this chapter, I examined the background characteristics of lay university governors and their motivations or reasons for voluntarily participating in the governance of their institutions. In this section, I am interested in examining the recruitment process adopted by university governing bodies in recruiting the lay governors who they think can perform the work of governance effectively. The purpose is

to discern the recruitment practices adopted by university governing bodies since an understanding of what works in one governance setting can be adopted and applied to a similar setting to ensure the effectiveness of governance across the higher education sector. It also examines how such practices conform to the higher education governance reforms earlier mentioned in this study. These issues are explored through in-depth interviews with the lay governors themselves and analysis of some official documents obtained from the universities and other relevant bodies associated with these institutions. After exploring the university governors' motivation for voluntarily participating in university governance, it is pertinent in the next section to examine how they are recruited to enable them to make a reality of their desires.

7.2.1 Recruitment Process

Despite the motivation of the university governors to participate in institutional governance, they still have to indicate interest in such voluntary activity and be formally recruited by the governing bodies of their universities. The Cadbury Report (1992) recommended the creation of a nominations committee to assist the boards of corporate firms in their recruitment of suitable non-executive directors. CUC (2004) governance guide also recommends that university governing bodies should have a nominations committee whose remit is to recruit lay governors who are external and independent of the institution and who possess specific knowledge and experience that is required in the universities. The Jarratt Report (1985) and the Education Reform Act 1988 specifically mentioned that lay governors should be appointed from among persons with a background and experience in business, industry and the professions. In this section, the process of recruitment of lay governors is examined through interviews with the

participants in this study as well as materials obtained from the websites of the institutions.

The respondents were asked how they were appointed and their perceptions of the recruitment practices adopted by their governing bodies in engaging the voluntary services of lay governors in their institutions. One account some of the respondents on the recruitment process gave was that they were invited by the chair of governors of the vice chancellor to join the governing body of the university and they responded positively to the request. They think that someone may have recommended them to the university before an invitation was extended to them. A lay governor, Mr Silberston from the University of Stokefield, Scotland (Pre-1992) narrated his experience of how he was recruited to join the governing body as follows:

> *"...I got a letter from the Principal inviting me to come along and see whether I was interested and whether we could work together...I suspect somebody must have put forward my name to him...I was appointed thereafter"*

This method of recruiting university governors is referred to as co-option since there was no formal application from the candidates and no formal interview was conducted by a recruitment panel. There was no evidence of the involvement of the nominations committees of the university governing bodies in this regard. Co-option is a recommended practice for the recruitment of lay governors by both the Education Reform Act 1988 and the CUC (2004) guide for governors. However, almost all the respondents who claimed they were recruited in this manner had been on their governing bodies for upwards of 4 years. They may have been recruited prior to the constitution of a nominations committee by their respective university governing bodies.

The accounts of some of the governors also indicate that university governing bodies have a nominations committee that is charged with the recruitment of lay governors. In discharging this responsibility, they were of the view that the nominations committee determines the existing lay governors' vacancies as well as the skill and expertise that are required of the candidates that may enable them and the governing bodies to function effectively in their governance roles. The respondents claimed that the nominations committee depends on two main sources of nominations for the recruitment of lay governors. One way of doing this is for potential lay governors to be recommended by serving university governors, staff (both academic and non-academic) and students to the nominations committee of the governing body. Another way is for adverts to be placed in local and national newspapers and on the websites of the universities calling for suitable persons to apply as lay governors. Most times a combination of both sources are utilised. The respondents recount that a short-listing of potential candidates who meet the laid down criteria for a lay governorship position is made and a few of them are interviewed and selected by the nominations committee for appointment by the governing body.

A staff governor, Mrs. Keith from University of St. Pancras, Scotland (Post-1992) recounts the recruitment practice by her governing body thus:

> *"There's actually a call by Nominations Committee for lay governors being advertised in the newspapers specifying expertise in various areas that are relevant to the major activities of Court (governing body)...Those who meet the criteria are then interviewed and recommendations are made for appointment by the university governing body.*

The chair of University of West Albion, England (Pre-1992) Mr. Lawrence gave a more vivid descriptive account of similar views expressed by other respondents concerning the recruitment of new lay governors thus:

"Well we have a Nomination Committee which we've had for a long time of which I'm the Chairman...We've got some well worked out terms of reference with our Nominations Committee... and our key role is to ensure that the Council and this committee have got the right membership... We've got a profile of every member of Council and what their skills are, we then discuss how many vacancies we have, what skill mix we would like to bring in to fill the gaps that are emerging...We advertise nationally,...around the university, we ask members of Council for suggestions for possible members and get a short list...We agreed this morning that the Vice Chancellor and I are going to have dinner with 2 people that we discussed this morning. We draw up a short list...we will say right that person is a national figure in the health field and we need somebody like that because the medical school is going through a particular development, or that person has got a very strong financial background experience and we are going to lose the Chairman of the Audit Committee next year so we'll bring that person in. We then persuade those people to join our Council and appoint them...We want some people from the region, so today we had the top 50 companies based in the region and who the key people are, and we also had another list which was the biggest companies in the Midlands and the (alumni) graduates who are in those companies at a senior level, and we had another list which was the 50 richest people in the Midlands, and we had names put forward by individuals in the university so we have a lot of sources for ideas."

An examination of the governance websites of the universities confirms the accounts of the respondents on the existence of nomination committees in all the university governing bodies represented in this study. Such nomination committees are headed by the Chair of governors and composed of the vice chancellor, the majority of lay governors and an academic governor (CUC, 2004). This is one aspect of the reform of higher education governance structures that has been implemented by the institutions represented in this study in terms of changes in the recruitment practices of university governing bodies. Bargh et al (1996) and Shattock (2006) also observed that the existence of nomination committees in universities has altered the process of recruitment of lay governors in UK universities.

However, the overwhelming majority of lay governors with backgrounds in business and industry in this committee may be viewed as an attempt to populate the governing bodies with persons of similar a background and experience in order to foster and support a managerial and enterprise culture in the institutions in line with the managerialisation of public institutions taking place in the wider society (Clarke et al, 2000). The membership of these nomination committees did not reflect the composition of the various internal groups represented on the governing bodies, especially in the case of Pre-1992 universities that have more of such representatives than the Post-1992 institutions.

7.2.2 Role of Chair and Vice Chancellor in the Recruitment Process

However, evidence abound in some of the universities as in the above account of the chair of governors of University of West Albion that the chairs and vice chancellors dominate and influence the recruitment process of lay governors despite the existence of nomination committees. An example of such a situation is when this chair of governors said the vice chancellor and himself went to discuss with and persuade some nominated persons to join the governing body to the exclusion of other members of the committee. Another example is when the chair of governors of University of St. Pancras, Scotland (Post-1992), Prof. Roberts personalised the issue of recruitment of lay governors by saying:

> *"...What I personally look for is someone who is committed to the cause...So when I interview somebody or* ***chat*** *to somebody who's a potential member, I'll look straight in their eyes and say are you prepared to commit yourself to the time that's required to do a good job?"*

This overbearing influence of the chairs and vice chancellor appears likely to undermine the independence, transparency and objectivity of the nomination committee and the

whole democratic process of selection of lay governors as advocated by Nolan (1995), Cadbury, (1992) and CUC (2004). A similar control over the recruitment process by the chairs and vice chancellors was also observed by Bargh et al (1996) in their study of university governing bodies in the UK.

7.2.3 Mode of Attracting Prospective Lay Governors

Prior to the higher education governance reforms names of potential governors were mainly recommended by members of the university (Bargh et al (1996). But based on the above accounts of respondents, there is now a widespread use of advertisements in local and national newspapers and university websites by nomination committees to attract potential lay governors to participate in the governance of universities. The CUC (2004) guide had recommended the publication of such governorship vacancies by a nomination committee of governing bodies to attract potentially suitable lay governors. However, the criteria for recruitment following the recommendations of the higher education reform reports may exclude certain persons or groups in the society from being recommended or applying for lay governorship position in order to participate in the governance of UK universities.

The account of the chair of University of West Albion, England (Pre-1992), Mr Lawrence was similar to that of many of the other respondents indicating a deliberate attempt by university governing bodies to recruit lay governors from the upper middle and upper classes of the British society with a background in business and industry in line with the higher education governance reform recommendations of Jarratt (1985), Lambert (2003) and the resulting CUC (2004) code of governance practice. The social background and account of this chair of governor as with those of the other chairs and lay

governors in this study appears to perpetuate a certain oligarchy and class hegemony by privileging the corporate upper-middle classes to serve on the governing bodies of universities through the recruitment process of lay governors. This is what Clark (1989) and Zahra and Pearce (1989) refer to as "capitalist control of societal institutions" (p. 300). It is consistent with the class hegemony theory which is based on Marxist sociology that views the governing board of an organisation as one way in which the capitalist class controls social and economic institutions. The presence of this category of people on governing bodies appears to be the beginning of a corporate takeover of universities and the subsequent institutionalisation of enterprise culture in academe as observed by Clark (1989). This may bring about an elite takeover of university governing bodies in order to take control of the highest decision-making organ in a university which had earlier been observed by Bargh et al (1995) in their study of university governing bodies in the UK. There is a glaring dissimilarity between the compositions of the academic-dominated university governing bodies before the higher education governance reforms and the current lay-dominated structure which favours elites from business and industry backgrounds. According to Sample (2006) and Sekulic and Sporer (2002) elites in positions of power and authority are able to perpetuate themselves through various recruitment practices and criteria which exclude other people from different segments of society. The near exclusion of academics and other internal and external representative groups from institutional governance through recruitment processes of governing bodies is glaring in this study especially in the Post-1992 institutions.

But a lay governor of Ashgrove University, England (Post-1992), Mr. Matthew objects to the perpetuation of an elite class in the governing body of his university when he argued for more diversity in composition of the body during recruitment of lay governors thus:

> *"I mean within, one could argue that our Council have this issue of middle class white older people. We ought to have younger different ethnic backgrounds, diversity...yes"*

The privileging of the business, industry and professional elite class for appointment into lay governorship positions and the process of such appointments by university governing bodies can be viewed as a paradox in relation to the social exclusion crusade of government through its widening participation policy in higher education institutions. There seems to be no difference between Pre- and Post-1992 universities in England and Scotland in their approach to the recruitment of lay governors. The governing bodies represented in this study appear to have adopted similar recruitment practices, same sources of potential lay governors and similar criteria for recruitment.

There is then evidence that the higher education governance reforms initiatives (Jarratt, 1985; Dearing, 1997) are being implemented by the governing bodies of universities concerning the recruitment of lay governors but the consequences of this for democratic and open governance are considerable.

After examining the recruitment process and the appointment of lay governors, it is imperative in the next section of this chapter to also explore the perceptions of the governors concerning the governance roles of their governing bodies in the university and how they have been able to distinguish such roles from those of the executive.

7.3.0 Governance Roles of University Governing Bodies

The purpose of this section is to examine the perceptions of university governors concerning the various governance roles they perform as a governing body that is charged with the ultimate authority for directing and controlling the university to achieve its purpose. The governance roles specify the various functions the university governors carry out as a governing body and as individual members of the body and the attitude towards these functions or tasks and their authority relationship with other people they interact with, in and outside the university, in order to accomplish the purpose of the institution.

In the interview the governors were asked to give what they perceive and understand as the governance roles of the university governing bodies. The chair of governors of University of Gangeshire, Scotland (Post-1992), Mr. Charles mentioned that the primary governance roles of the university governing body are:

> '*...setting the strategy (strategic direction) of the university* **(strategy role)**,*...compliance with Scottish Funding Council for Higher Education and Scottish Executive and indeed Westminster's policies* **(compliance role)***...and monitoring executive activities and to make sure we are in best practice...and benchmarking against others* **(monitoring role)***...there is an ambassadorial role which I think each governing body member has to play by linking the university with senior politicians and people of influence in the Diaspora* **(ambassadorial/external relations role)***...engaging in very senior disciplinary and grievance cases* **(disciplinary/appeal *role)***".

(I have added the items in bold letters to clearly demarcate the governance roles).

The governance roles mentioned here are strategy, compliance, monitoring, ambassadorial (external relations) and disciplinary and grievance (appeal) roles.

Other governance roles were also perceived by the respondents. A lay governor of Liberty Trust University, England (Post-1992), Mr. Lander perceived the governance roles as:

> *'The key functions of the university governing body is to deliver assurance that monies are spent in an appropriate way* **(accountability)**...*determining the strategic direction of the university* **(strategy)**...*check through committees that executives are delivering what they say they are going to deliver'* **(monitoring).**

In this case, the key governance roles mentioned by this respondent are accountability, strategy and monitoring roles.

Another lay governor from Ashgrove University, Mr. Francis perceived the governance role of the university governing body as:

> "...to *ensure there's a system of internal controls'* **(audit)**...*review effectiveness of the university* **(assessment)**...*to manage risk'* **(risk governance)**,...*manage strategic direction' (strategy)...receive reports on how the university is actually operating* **(monitoring and accountability)".**

This lay governor mentioned the governance roles as audit, assessment, risk management, strategy, monitoring and accountability roles.

A chair of governors of University of Waterloo, Mr. Carrington perceived the governance roles of the governing body as:

> *"...the ultimate decision maker of the organisation* **(decision-making role)**...*appointment of* a *new Vice Chancellor as well as appointing the lay governors (recruitment role...It's responsible for human resources generally* **(recruitment role)***".*

In this particular case the governance roles perceived by the respondent are decision-making and recruitment roles of the university governing body.

In summary, the accounts of the above respondents are representative of the overall perceptions of the 27 university governors in this study concerning the governance roles

of the university governing bodies. These governance roles include strategy, compliance, monitoring, ambassadorial (external relations), disciplinary/grievance (appeal), accountability, assessment, risk governance, recruitment and decision-making roles.

A critical examination of the accounts of the university governors in this study (see Table K below), however, indicate that most (more than 70%) of the respondents perceive accountability, strategy, monitoring, compliance and assessment (performance evaluation) roles as key governance roles they perform. A little more than half (less than 60%) of the respondents view recruitment and decision-making roles as other governance roles they perform. About 40% of the respondents are of the view that the governing body also performs audit and risk governance roles. Just under a third (less than 33%) perceives support, disciplinary and grievance (appeal), ambassadorial (external relations) and assurance roles as governance roles performed by their governing bodies. These figures appear to indicate the importance and the frequency with which the university governing bodies discuss and engage in the performance of these governance roles. (See Table K for the analysis of university governors' perceptions of governance roles).

The accounts of respondents indicate multiple governance roles performed by the university governing bodies. Bargh et al, (1996) and Hung (1998) have similarly in the past observed in their respective studies that governing boards of organisations perform such multiple governance roles. Bargh et al (1996) in their study of university governing bodies in the UK had identified strategic, audit, supervisory, support, representative, managerial, appeal and negotiating roles as governance roles performed by them.

TABLE K: University Governors Perception of Governance Roles Performed by their Governing Bodies.

SN	GOVERNANCE ROLES	UNIVERSITY GOVERNING BODIES							
		ENGLISH UNIV.				SCOTTISH UNIV.			TOTAL (%)
		PRE- 92		POST- 92		PRE-92	POST-92		
		UW	UWA	AU	LTU	US	USP	UG	
1	ACCOUNTABILITY	3	5	3	4	3	5	3	26 (96%)
2	STRATEGY	3	5	3	3	3	5	3	25 (93%)
3	MONITORING	3	4	2	3	3	4	3	21 (78%)
4	COMPLIANCE	3	4	3	2	3	4	2	21 (78%)
5	ASSESSMENT	2	2	4	4	1	4	2	19 (70%)
6	RECRUITMENT	3	1	1	4	1	3	2	16 (60%)
7	DECISION-MAKING	4	3	2	2	1	4	1	16 (60%)
8	AUDIT	-	2	2	2	1	2	2	11 (41%)
9	RISK GOVERNANCE.	1	1	2	2	2	2	1	11 (41%)
10	SUPPORT	1	2	1	-	1	3	1	9 (33%)
11	APPEAL			1		2		1	4 (14.8%)
12	EXTERNAL REL.				1			1	2 (8%)
13	ASSURANCE			1				1	2 (8%)

* Figures in cells indicate number of university governors mentioning a particular governance role performed by their governing bodies.

<u>KEY</u>

UW – University of Waterloo

UWA – University of West Albion

US – University of Stokefield

UG – University of Gangeshire

LTU – Liberty Trust University

AU – Ashgrove University

USP – University of St. Pancras

Although some of the governance roles perceived by the respondents do not completely fit into some of the categories of governing body roles identified by Bargh et al (1996) and Hung (1998) in their independent studies, but they basically perform similar roles. Bargh et al (1996) argued and cautioned that the perceptions of university governors concerning their governance roles may not actually represent the extent of their involvement in each role. The perception of an individual university governor may not also necessarily reflect the perception of the governing body as a whole. Moreover, the perception of the chair of governors who invariably are the leaders of these bodies and the governance arrangement adopted by them may to a large extent determine the governance roles and the extent of involvement of the governing body in the performance of these roles. Some researchers assert that contextual factors such as 'board power', 'environmental uncertainty', 'information asymmetry', 'history of the organisation', 'conduct of board meetings', 'board-executive relationship' and 'social composition of boards' appears to affect the extent of involvement of the board in a particular role (Hendry and Kiel, 2004 and McNulty and Pettigrew, 1999).

The extent of involvement of the university governing body and the governors in the performance of the strategy, risk management, performance review and accountability roles will be examined in-depth in the next two chapters. I have chosen to examine these particular governance roles because much emphasis is placed on them by the various higher education reform reports of Jarratt (1985) and Dearing (1997), the CUC (2004) code of governance guide, the higher education funding councils of England and Scotland and the wider public institution modernisation agenda of government.

In the next section, I examine how university governors have been able to distinguish between governance and management despite the expressed practical difficulties in doing so in the literature on governance (Houle, 1989; Greer and Hoggett, 1997).

7.4.0 Distinguishing between Governance and Management Roles

The prescriptive literature on governance and governing boards attempts to separate the governance role of the governing body from the management role of the executive but in actual practice it has been difficult for board members to distinguish between both sets of roles (Greer and Hoggett, 1997; Carver, 2006; Bennett, 2002; Gill, 2005; Houle, 1989; Bargh et al, 1996). During the interview session, the respondents were asked for their perceptions of the demarcation between the governance roles of the university governing body and management roles of the executive management of the institution and whether they are cognisant of the expectations of their governance roles and those of the executive.

In order to convey the differences between governance and management roles most of the respondents described both roles in terms of the perceived statutory relationship between the governing body and the executive of the institution as represented by the vice chancellor and mostly within the framework of the strategies and policies of the university.

Generally, the respondents perceived and described the management roles of the executive of the university as enumerated below.

1. Development of Strategies and Policies: Most of the respondents are of the view that the management role requires the executive of the university to develop the strategic plan of the university which should specify strategies and the policies to guide the

accomplishment of the strategies of the university based on the strategic direction that had been determined in collaboration with the governing body. The developed plans are presented to the governing body for approval. A lay university governor described this management function thus:

> *"Well clearly they're there to develop the strategies of the university in line with the direction that has been agreed with Court and to bring those strategies and policies to the lay members and to the Court (governing body) and to have that approval given.* ***(Mr. Bloomfield – Lay Gov., University of St. Pancras, Scotland, post-1992)***

The views of these respondents are consistent with their occupational background and corporate governance and experiences in industry and business from which they were recruited onto university governing bodies. Traditionally, strategic planning and the strategy process has been under the ambit of the executive management of an organisation (Jarzabkowski, 2005; Rowley, Lujan and Dolence, 1992) but recent thinking in corporate governance is emphasising a more active role for the governing board in strategy (Judge and Zeithalm, 1992; Jarratt, 1985, Golden and Zajac, 2001; McNulty and Pettigrew, 1999).

2. Implementation of Strategic and Policy Decisions: Another role of management from the perspective of all the respondents is that the executive is responsible for implementing and achieving the strategic plan and all other strategic and policy decisions of the governing body. The accounts of two chairs of governors illustrate this view of management role. The chair of governors of University of St. Pancras, Scotland (Post-1992), Prof. Roberts recounts thus:

> *"They are the executive team; they have clear responsibility and operational responsibility to deliver plans."*

Also the chair of governors of ***Liberty*** Trust University, England (Post-1992), Mr. Barry perceives this management role thus:

> *"Implementation is down to the executive. It's down to the chief executive or the Vice Chancellor to basically to work within his management team...and he will agree to do it within a certain time frame."*

The views of these two chairs of governors are consistent with those of the literature on management which places the role of the chief executive and management as implementing the decisions of the governing board of an organisation (Farrell, 2005; Carver, 2006).

3. Responsibility for Academic Matters: The respondents perceive academic matters and decisions as the preserve of senate (Pre-1992 universities) and the academic board (Post-1992 institutions) but the vice chancellor, who is the chief executive of the institution, co-ordinates the activities of these bodies and reports to the governing body regularly on academic matters. The accounts of two internal members of the governing bodies of a Post-1992 institution and a Pre-1992 university illustrate this management role. Prof. George, an academic staff member of the governing body of University of St.Pancras, Scotland (Post-1992) presents this management role as follows:

> *"In effect I would say academic board is responsible for all the academic decisions taken by the university. Court (governing body) does not take academic decisions. So all of the sub-committees of the university and the schools organise the school structures, so the school boards report through the academic development committee, the planning and implementation committee, all reporting to academic board for the academic decisions to be taken and then they're simply reported for information to Court."*

Another ex-officio member of the University of Stokefield, Scotland (Pre-1992), Prof. Kenneth presents his view on this management role thus:

> *"The main body of decisions that Court doesn't discuss have to do with academic matters which are resolved by Academic Council. Court will*

receive reports from Academic Council and will normally just note them...."

The Jarratt Report (1985) also recognises the vice chancellor as both chief executive and academic leader in charge of academic matters in the institutions. Bargh et al (1996) observe the role of the vice chancellor as "academic leader of the university, being chair of the academic board and is responsible for representing academic interests internally to the board of governors..." (p. 138). The respondents were unanimous in their view that the governing body does not discuss or take academic decisions. This appears to be one area where the corporate model of governance in the private sector have limitations when applied to universities. Although, the articles of government and statutes of Post-1992 institutions grant the governing body power over academic decisions, the accounts of the respondents from these universities indicate that it is the academic board which still determines academic matters in the institutions. The lay-dominated Post-1992 university governing bodies whose members are recruited from business and industry appear to lack the necessary knowledge and experience to deal with academic matters which is the core activity of universities.

4. Accountability to the University Governing Body: The respondents are also of the view that the executive is accountable to the governing body for the day-to-day effective management of the institution and for the efficient use of resources to accomplish the purpose of the university. A staff governor Prof. George of University of St. Pancras, Scotland (Post-1992) viewed this accountability role of the university executive management as follows:

"*The Principal is the chief executive officer in a sense and he is responsible just as in the business analogy as any chief executive. He is sitting with his board of directors, he is responsible for running the*

organisation and therefore he is being accountable and held accountable by the board or the Court for the way he's conducting his business."

Accountability of the executive requires that they report to the governing body the extent to which they have achieved the strategic objectives and purpose of the institution. This accountability perspective is consistent with the agency theory view which stipulates that management should act in the best interest of the organisation and be accountable to the governing board (Keasey, Thompson and Wright, 1997). The accountability role of the executive is also in line with the provisions of the CUC (2004) governance guide and the HEFCE (2005) financial memorandum. The role of the vice chancellor in the accountability process of the university will be explored further in Chapter 9.

The perception of the individual university governors concerning governance and management in organisations as well as their previous experience of governance and management issues may also to a large degree determine the extent to which they draw a dividing line between the two sets of roles.

7.5.0 Perception of Demarcation between Governance and Management Roles

Some of the respondents were of the view that it is improper for university governors to deliberately engage in the day-to-day operations of the institution since those functions have been statutorily delegated to the vice chancellor and the executive management of the institution. They claim that conscious attempts are made by their governing bodies to restrain university governors from performing such delegated functions. The chair of governors, University of St. Pancras, Scotland, (Post-1992) Prof. Roberts expressed this concern vividly in his interview account thus:

"The non-executive team must never cross the line into the executive role and the executive team shouldn't cross the line into governance role and the governing body is very sensitive to this. Whatever we do we must not

try and run the university like an executive team. We have to ensure that the executive team are running the university properly. That's the difference..... we are not running it we are ensuring that it is run."

This view was supported by an ex-officio of University of West Albion, England, Post-1992), Prof. Joseph when he remarked that:

"But my own, and I hold this very strongly personally and I think it affects the views of the institution, is that you must make a clear distinction between governance and management. The governing body is not there to run the university; it is there to make sure the university's run properly"

These views appear to indicate that some respondents are conscious of the tendency for some governors to want to perform day-to-day management roles sometimes referred to as micro-managing, and therefore, stress the need for demarcating between governance and management roles in order to avoid conflict between the governing body and the executive. Garratt (2003) had argued that the role of the board is to oversee the activities of the executives and to ensure that they accomplish the purpose of the organisation and perceives as ignorance the inability of boards to distinguish between "directoral and executive roles" (p. 1).

7.6.0 Navigating the Boundary between Governance and Management Roles

The respondents were asked whether they experienced any difficulty in negotiating the boundary between governance roles of the university governing body and the management roles of the university executive. The accounts of the ex-officio members and the lay governors who occupy managerial positions in the university and in business and industry respectively are worthy of note in this regard. The ex-officio members are of the view that they were very clear about the boundary between the governance roles of the governing body and the management roles of the executive by virtue of their dual membership of both bodies. They claim that understanding what their roles entail as

executives and as members of the governing body and the demands of the governing body on the executive and how they are supposed to respond to such demands enables them to see the visible lines of demarcation between both roles. An ex-officio of the University of St. Pancras Scotland (Post-1992), Prof. George explains this distinction thus:

> *"...I'm sitting as a member of the executive on Court and...I have a full understanding of the executive side of the university business. But I've also seen it from a Court perspective and what the Court requires from the executive in order to carry out its accountability and government requirements. Court should satisfy itself that the university is being well-run, etc. So it's quite interesting observing that from my position as a member of the executive and also a member of Court...There seems to be a clear understanding of what is required at the macro level....."*

Another ex-officio from University of West Albion, England (Pre-1992), Prof. Simpson also perceives the same ability to demarcate between governance and management roles in view of his dual membership of both the governing body and the executive thus:

> *"It's quite clear to me because obviously I'm a member of both the executive and of course the Council so I see both sides of the operations. So I think they are clear to me. You see...effectively it's the role of the executive to manage right, but that has to be done and overseen by Council to make sure that it's reasonable and it's effective..."*

Apart from belonging to both governance and management groups these two ex-officio members seem to be able to demarcate between the both governance and management roles because they also appear to have the inside working knowledge, information and experience of an academic enterprise. They appear to have an insider perspective of the various interacting institutional contextual factors which enables them to distinguish the boundary between both roles which the external lay governors lack.

However, the accounts of some of the lay governors in this study indicated that separating governance and management roles in practice could be a bit daunting

especially for those of them that are engaged in managerial roles in their areas of primary work outside the university and who really want to use their expertise and experience to contribute towards the development of the institution by adding value to the university decisions and processes. The view of a lay governor of Ashgrove University, England (Post-1992) Mr. Fratton is consistent with the perceptions of the other respondents who hold similar perspectives thus:

> *"We're here as independent and we're not the executive. We can suggest but we shouldn't do and that's a very difficult task for somebody that's been actively involved in business with senior posts where you are expected to be actively involved and were held accountable for delivering...I think if you can add value it's awfully difficult to stand back. But if you can't add value you shouldn't be here. But if you're going to get members who can add value, who have the skills then you do run the risk of having people that want to dabble (into management roles) and that's what you have to accept....."*

This appears to present a typical situation where lay governors attempt to perform executive functions in their effort to use their skills, expertise and experience of management issues and business background to 'add value' to the processes of the institutions. The inability of the lay governors to demarcate between these roles could generate a lot of role conflict between the lay governors and the executive management of the institutions. Greer and Hoggett (1997) and Edwards and Cornforth (2003) had argued that governing boards find it difficult demarcating between governance and management roles.

7.7.0 Conclusion

There is evidence from the study to suggest that lay governors were highly educated corporate elites from the upper and middle classes recruited mostly from industry and the professions into the seven university governing bodies that participated in this study. The

lay governors appear to have multiple motivations for participation in university governance. They were mostly motivated by their desire to contribute the improvement of the corporate governance and management arrangements of the institutions as well as the overall development of the universities and the communities within the operating environment of the institutions. The reasons the institutional governors participated in governance were because they were either representing their constituencies or that it was part of their job schedule. In the country case studies, the lay governors from university governing bodies in Scotland appeared to be motivated to participate in governance in order to develop their communities than their counterparts in England. This difference between the country cases can be attributed to the community orientation of the Scots. The evidence from the institutional case studies indicates that lay governors from Post-1992 universities were motivated to participate in university governance in order to contribute to the improvement of the governance and management practices as well as the overall development of the institutions than their counterparts in Pre-1992 universities because they want to catch up with their more developed Pre-1992 universities.

The recruitment process of the lay governors appears discriminatory in favour of people with the above stated background characteristics, experience and knowledge to the exclusion of other persons from most segments of the society. However, the characteristics of these lay governors appeared to be consistent with the recommendations of the higher education reform reports of Jarratt (1985), Dearing (1997) and Lambert (2003). There was no evidence from this study to suggest country and institutional differences in the approach to recruitment and appointment of lay governors.

The university governors in this study perceived multiple governance roles such as accountability, strategy, monitoring, compliance, performance assessment, recruitment, audit, risk governance, support, appeal and ambassadorial roles being performed by their university governing bodies. The accountability, strategy, compliance, risk and performance review roles appear to be new governance roles of the university governing bodies in this study. These are consistent with the newly emerging governance roles identified in the literature of board governance as well as those emphasised by the higher education reform reports and the modernisation of public institutions agenda of government.

It appears the university governors are conscious of the need to demarcate between their governance roles and those of the executives in order to avoid conflict between both bodies. But in their attempt to use their skills, knowledge, expertise and experience to 'add value' to the processes of the university they found it 'difficult to stand back' from engaging in management roles in practice. Such interference in management functions portends areas of potential conflict between the governing bodies and the executives of the institutions. It was observed that in all the case study institutions, the ex-officio members appear to be able to clearly demarcate between governance and management roles than most of their lay colleagues. This is because they appear to have a better working knowledge of the academic enterprise by virtue of the dual roles they play both as members of the governing body and the executive and the long years they have been working in academia. They also appear to have a vested interest in doing so in practice.

The case studies did not show any particular institutional and country pattern in the

perceptions of university governors concerning their governance roles as well as in the demarcation between governance and management roles.

In the next chapter, I examine in more details the role of the governing body and the university governors in the strategy process and the governance of the risks of the institutions since strategy and risk were perceived by the governors in this chapter and emphasised in the board literature as one of the main roles performed by the governing bodies. I also examined how the risks associated with the strategies of the university are governed by the governing bodies of the institutions since the governance and management of organisational risks have been observed to be important in reducing the failure to achieve strategic objectives of a firm (Turnbull, 1999; Jones and Sutherland, 1999; HEFCE, 2005).

CHAPTER EIGHT

PROCESSES OF GOVERNANCE: PERCEPTIONS OF PRACTICES

8.0.0 Introduction

In the previous chapter, I examined the background characteristics of the university governors, their motivations for participating in governance and their method of selection. I also examined their perceptions of their governance roles and how they were able to distinguish between governance and management roles. The purpose of this and the next chapter is to examine some newly emerging governance practices in universities as a result of the various governance reforms started since the Jarratt (1985) report. Some of the new governance practices as they affect the role of the university governing bodies are strategy, risk governance, performance review as well as the renewed burden of accountability. These governance processes are examined in this chapter because they are conceptually inter-related. This chapter is sub-divided into two sections with the sole aim of examining the perceptions and the role played by the university governors and their governing bodies concerning their strategy and risk governance activities.

8.1.0 Governors' Involvement in Strategic Decision-Making

The purpose of this section is to examine the strategy role of university governing bodies with particular reference to the extent of participation of university governors and their governing bodies in the strategy based on the interview accounts of the university governors and evidence from the observation of meetings of the governing bodies and other documentations of the university where applicable. This was examined within the framework of the theoretical debate on the passive-reactive and active-proactive roles of corporate boards of organisations in the strategy process (Golden and Zajac, 2001;

Hendry and Kiel, 2001) and the empirical model of board participation in strategy developed by McNulty and Pettigrew (1999).

The analysis of data shows two distinct approaches adopted by the university governing bodies in this study for participation in the strategy process of their institutions. The approaches are enumerated below.

8.1.1 Passive-Reactive Approach to Strategy

The respondents from two out of four English universities namely the University of West Albion (Pre-1992) and Ashgrove University (Post-1992) perceived the approach to participation in strategy as passive-reactive mode. In this passive-reactive approach the accounts of the respondents indicate that the strategy process commences with the executive proposing the strategic focus and the strategies of the university to a strategy committee. The strategy committee then debates all strategic issues confronting the university as proposed, make necessary input and later present their recommendations to the governing body for discussion, approval and subsequent adoption for implementation by the executive. It is in this committee that the strategic decisions of the executive appear to be challenged by members of the strategy committee.

In explaining this approach an ex-officio member of the University of West Albion, Prof. Kay recounts that the governing body does not *"brainstorm strategy"* but that *"strategy is much more driven from our academic community and the executive"*. The chair of governors of the University of West Albion, Mr. Lawrence disclosed that there is a *"strategy committee that looks at strategy for the university"* and that the remit of this committee is to discuss such strategic issues like the *"mission and strategies"* and the *"key performance indicators for the university"* as proposed by the executive. The

mission in this case is the reason for the existence of the institution which serves as the framework for developing the strategic areas of focus and strategies of the university. The key performance indicators (KPIs) are the measures of the expected performance of the institution in the areas of strategic focus of the institution (Rowley, Lujan and Dolence, 1997). University governing bodies in the UK are required to adopt the use of KPIs to gauge the performance of their institutions and this is based on the recommendation of the CUC (2004) in its governance framework derived from the Dearing Report (1997) which suggested that governing bodies should monitor the performance of their institutions especially in those areas of their strategic activities. This appears to be a new dimension in the practice of university governance adopted from the business sector.

It was observed from the governance websites of the two universities that the strategy committees are dominated by the executive and senate members with very minimal lay representation. The respondents were of the view that, based on the debates of the strategy committee, a collective perspective of the strategic focus of the university is formed, which is then taken into consideration by the executive in the preparation of the final draft strategic document that will be presented to the university governing body for approval. A lay governor of Ashgrove University, Mr. Francis who is also a member of the strategy committee represented this perspective in his account thus:

> *"If we (strategy committee) feel that that (proposed strategy) is correct or we might make some changes in the committee which we will then take to the council of the university saying 'This is our strategic plan for the next five years".*

In commenting on the passive-reactive role of the governing bodies in the strategy process, the chair of governors of the University of West Albion, Mr. Lawrence disclosed

that the role of the governing body is limited to approving the decisions of the strategy committee. He said:

> *"The reality is that a lot of decisions (of the governing body) are to approve things that committees of the governing body have put forward and I have just mentioned strategy committee".*

When the role of the lay governors and the governing bodies is restricted to approving strategic decisions it is said to be involved in 'taking strategic decisions' based on the McNulty and Pettigrew (1999) model of board participation in strategy. In their study, they found that all boards approve strategy which is consistent with the above findings. The establishment of the strategy committees in these universities, however, appears to limit the participation of majority of the lay governors in the strategy process and perhaps reduce the opportunity for them to use their skills, expertise and experience to influence and shape the strategic decisions of the executives since only a few of them can statutorily serve on this committee.

However, the perception of the respondents is that lay governors and the entire governing body should be actively involved in determining the strategic direction and strategies of their universities rather than just approving the strategy as proposed by the executive. A lay governor of Ashgrove University, Mr. Matthew reaffirms this position when he said:

> *"I think council is saying we ought to be involved at an earlier stage with a view to actually establishing the strategy rather than just approving the strategy"*

This perception of the lay governors appears to be consistent with the thinking of the proactive-active school of thought that boards should play an active role in the strategy process of the organisation (Golden and Zajac, 2001; Hendry and Kiel, 2001; Jarratt 1985) and determines its strategic direction and strategies.

This passive-reactive approach to strategy adopted by the lay governors and governing bodies of the two English institutions is consistent with the findings of Bargh et al (1996) and Farrell (2005) that governing bodies of educational institutions are mostly reactive and they do react to the strategic decisions of the executives. However, it seems only the few lay governors in the strategy committee are given the opportunity to be involved in the 'shaping strategic decisions' and 'shaping of context, conduct and content of strategy'. It is this scenario that appears to have informed the call by the respondents for a more proactive and active involvement of lay governors in the strategy process of their institutions.

8.1.2 Proactive-Active Approach to Strategy

Respondents from the three Scottish universities (University of Gangeshire, Scotland, Post-1992; University of St. Pancras, Scotland, Post-1992 and University of Stokefield, Scotland, Pre-1992) and those from two English institutions (University of Waterloo, England, Pre-1992 and Liberty Trust University, England, Post-1992) in their accounts perceive a proactive and active approach to the performance of the strategy role by their respective governing bodies. The respondents recounted that the strategy process of the university is initiated by the governing body through convening special strategy meetings involving the executive, some senior academics and senate members where strategic issues are raised for discussion and decisions are taken as to the future strategic direction, areas of strategic focus and the strategies of the institutions. In this case, lay governors appear to have an opportunity to contribute to the strategic debates of the institutions. During these meetings, the respondents reported that the executive management of the institutions take copious notes of the collective strategic perspectives put forward and

would develop them into a strategy document which will be re-presented to the governing body at a later date for discussion and approval. The chair of governors of University of Waterloo, Mr. Carrington affirms this approach in his account thus:

> *"The governing body sets the strategy...and the way we do that is that the Council actually has a special ordained meeting usually once every 3 years to debate strategy and form a view. And then the executive officers of the university write the proposed strategy document in the light of the discussion that's taken place at the meeting, and they bring that back to Council for approval and then there may be a few more iterations."*

Mr. Carrington further recounts that the special meeting is *"the key event that focuses the strategy"*.

If the views and decisions of the university governors are not incorporated in the proposed strategy document, then there is the possibility that it may be rejected when it is re-presented by the executive to the governing body for formal approval. The approval of the strategic proposal developed by the executive which incorporates the earlier views of the governors means that the governing body is involved in 'taking strategic decisions' as explained in the McNulty and Pettigrew (1999) model.

The above perspective on the proactive-active approach to strategy was re-affirmed by a lay governor from Liberty Trust University, Mr Lander when he said:

> *"So the (governing) board brings together the non-executive members and the executive members in producing a strategy...Once we've agreed a piece of strategic intent, the executive members through a series of papers will come to the (governing) board over time and say: 'In line with our decision around that strategic intent this is the activity we are putting in place and these are the results we should see as a result of it"*

The proactive-active approach to strategy was confirmed during my observation of a meeting of the governing body of University of St. Pancras, Scotland, Post-1992 when an existing campus development strategy document was presented to the whole governing

body for revision and update by the chair of governors. The observation notes taken at that meeting read thus: *"A campus development strategy document was presented for discussion and approval...The discussion was a brainstorming and problem-solving session...A total of 27 contributions were made by the governors before the discussions were concluded on the issue...The vice chancellor was requested to review the document in the light of the discussions and to re-present it for further discussion and approval in a subsequent meeting. The governing body spent one hour and fifteen minutes discussing the strategy document" (Observation Notes).* Debating the strategy document of this nature afforded the lay governors the opportunity to participate in the discussions and contributed to shaping the contents of the document by using their knowledge, skills and experience, thereby 'shaping the content of strategy' of the institutions concerning the campus development strategy. The specially convened strategy meetings of the governing bodies may have created the opportunity and forum where both governors and executives are encouraged to think strategically and to ensure strategies are deliberately formulated and implemented. These actions of the governing bodies appear to define the framework for the strategy process to take place in the universities, thereby 'shaping the context and conduct of strategy'.

The accounts of the respondents also revealed the procedure adopted for monitoring the implementation and achievement of the strategies of the institutions. The chair of governors of the University of Waterloo, Mr. Carrington commented on the procedure and the accountability of the executive for the achievement of the strategic objectives which are also all aspects of 'shaping conduct of strategy' as follows:

"...the (monitoring) process is to make plans and then receive reports of the actual results and compare them with plans...

In the meeting of the governing body of University of St. Pancras mentioned above, a lay governor also raised the issue of risk which was not addressed in the strategy document that was presented to them for discussion and this appears to be one example of the way in which they 'shape content of strategy' through scrutinising the strategic document. A part of the observation note taken at the meeting reads thus:

> *"Chair requested members to present their views on the issues raised in the strategy document...a member observed the absence of risk analysis in the strategy document...A Strategy Review Working Group is also in place to monitor the performance of all aspects of the strategy document" (Observation Notes)*

The approach to strategy adopted by the governing bodies of these universities appears to be proactive-active and usually collaborative and consensus-driven between the governing body, the executives and the senate (academic board in Post-1992 institutions). The approach enables the involvement of university governors in all the three levels of participation in strategy as revealed in the McNulty and Pettigrew's (1999) model such as 'taking strategic decisions', 'shaping strategic decisions' and 'shaping the context, conduct and content of strategy'.

The actions of the university governing bodies are in accordance with the advocacy of an active board participation in strategy (Demb and Neubauer, 1992; Hendry and Kiel (2004); Finkelstein and Hambrick (1996); Golden and Zajac, 2001; McNulty and Pettigrew, 1999; Jarratt, 1985; Tricker, 1984). The proactive-active approach to strategy adopted by the governing bodies is consistent with the findings of Stiles and Taylor (2001), Hendry and Kiel (2004) and McNulty and Pettigrew's (1999) that boards generally collaboratively formulate strategy with the executive management and that it is the responsibility of the executives to develop the strategies. This finding also

corroborates the observation of Judge and Zeithaml (1992) in their study that boards, which are highly involved and active in strategy do have members who collaborate with executives to determine and develop the strategic direction of their organisations.

The proactive approach to strategy by these governing bodies is also consistent with the recommendations of the higher education reform report of Jarratt (1985) that requires university governing bodies to play a more active role in determining the strategies of their institutions.

The adoption of the proactive-active approach to strategy by all three Scottish universities in this study, which enables everyone to participate fully in the strategy process, might not be unconnected with the Scottish cultural values that encourage what Harrison (1997) described as 'participatory and consensual' and Patterson (2003) as a 'collectivism and partnership' approach to group activities by Scots.

This proactive approach enables members of governing bodies to use their knowledge and experience to add value to the important decisions of the universities. However the contribution of lay governors in the strategy process is likely to be limited to the non-academic areas of strategy in view of their insufficient knowledge of the core strategic activities of universities, which are teaching and research.

Five out of the seven university governing bodies represented in this study adopted the proactive-active approach to strategy, which appears to be evidence of the gradual institutionalisation of discourse and practice of strategy by university governing bodies in this study (Bargh et al, 1996; Jarzabkowski, 2005), which appears to result from coercive pressures (DiMaggio and Powell, 1991) from government, the higher education funding councils, CUC (2004) and the recommendations of the Jarratt Report (1985).

The next session deals with the university governors' perception of how their governing bodies engage with the process of risk governance and management in their various institutions. Universities develop strategies to enable them to accomplish certain strategic goals and there are risks associated with the strategies that could hamper the realisation of these goals if they are not determined and managed properly

8.2.0 Governors Perceptions and Approach to Risk Governance

When the respondents were asked about their perceptions of risk assessment and management in their universities, their responses did not vary considerably across the individual governors and across the case study institutions. The respondents perceived risk as an important aspect of the organisation of the universities which needs to be given due consideration. They were also of the view that a system of identifying the various risks confronting the institutions and assessing their impact should be put in place in order to mitigate their negative effects on the institutions. They also consider risk assessment as an aspect of a good governance and management practice. The perception of the chair of governors of University of Waterloo, England (Pre-1992), Mr. Carrington captures some aspects of this perspective on risk assessment this way.

> *"Risk assessment is part of good governance which includes having a system for identifying and assessing the risks that you are exposed to and considering whether you can take mitigating action to guard against those risks".*

A lay governor of University of Stokefield perceives risk assessment thus:

> *So I mean we should identify and manage the risk we face and that's why I believe there should be a sort of no surprises culture"*

Perceiving risk as a phenomenon that can be identified and managed appears to indicate that the respondents have a technocratic perspective (realist view) about risk in their

various universities. Identifying risks as recounted by the respondents seems to suggest that risk is a phenomenon that exists in nature and assessing it appears to indicate that it can be 'measured and controlled' using some rational or technical means (Lupton, 1999, p. 9). The accounts of the respondents are consistent with those of The Royal Society (1992) in their report on risk (cited by Lupton, 1999), which stated that there is a variety of 'objective risks' which can exist in any situation and which people and groups respond to accordingly.

The technocratic disposition of the respondents to risk is not surprising since the majority of them have industry or business backgrounds and experience where the identification and the management of risks and uncertainties are key governance and management activities. The respondents appear to draw on their background characteristics and industry risk experiences to shape their technical perception of risk and to deal with issues concerning risk and uncertainties in their governance activities (Lash and Urry, 1994; Smallman and Smith, 2003).

The accounts of the respondents also indicate that they take mitigating actions against the identified risk which seems to show that risk is perceived as a negative phenomenon that needs to be overcome. Treating risk in this manner might suggest that the respondents have a risk-averse behaviour which would mean avoiding as many risks as they can in the course of governing the business of the university. Their risk-averse behaviour is also consistent with the 'no surprises culture' mentioned by one of the respondents. However, this does not mean that governors are necessarily risk-averse. Most of them take diverse risks in their active employment in industry and business since risk-taking offers some competitive advantage to individuals and organisations in business. This risk-averse

attitude of the lay governors could also be related to the requirements of government for control and accountability (Newman, 2000), which appears to inhibit risk-taking behaviour by officials of public institutions. Their conservative approach to risk in the universities they govern can also be attributed to government's directives to institutions through the funding councils that the diverse risks the institutions face should be identified, assessed and managed in order to avoid financial losses as they attempt to achieve their strategic goals. The governing bodies therefore seem to favour a situation where the executives of the institutions would engage fully with the identification, assessment and control of risk in their approach to managing the strategic risks of the institutions (Lupton, 1999). Beck (1992) had pointed out that human society has progressively tried to eliminate risk but that some risks cannot be controlled. So both the governors and the executive are looking for risk they can control using a technical means, but there are a whole lot of risks that cannot be controlled and which can affect the universities adversely. For example, the universities were unable to identify and control the outbreak of the SARS epidemic in Asian countries that affected the recruitment of foreign students from that region of the world, which impinged on their source of revenue. This appears to reveal the weakness of their adoption of a technical approach to risk to the exclusion of other approaches that might improve the effectiveness of the risk management practice.

The perceptions of the respondents that the governance and management of risk is good organisational practice are consistent with the recommendations of CUC (2004) and HEFCE (2005) that university governing bodies should ensure that there is a system of risk assessment, management and governance in the institutions. It could also be an

attempt by the university governing bodies to deal with the various risk associated with the numerous governance and management changes that are taking place in their universities. Risk management seems to have been adopted by public institutions as well as universities in line with the modernisation agenda of the New Labour government aimed at ensuring economy, effectiveness and efficiency in public and social service delivery.

8.2.1 Role of the Governing Body in Institutional Risk Management

The respondents were asked what they perceived to be the main role of their university governing bodies in the management of risk in their respective institutions. Most of the respondents perceive their governing bodies as mainly governing risk through their respective audit committees. The audit committees submit reports to the university governing bodies on the various risks confronting the institutions and how these risks are being controlled or mitigated by the executive of the institutions. The part played by the main governing body according to the respondents is to ensure and receive assurance from the audit committees that the various risks facing the universities have been identified and managed effectively by the executive. A lay governor of University of Stokefield, Scotland (Pre-1992), Mr. Silberston represents the views of the other respondents when he said:

> *"Well most of the risk aspect gets looked at by the audit committee...and then they report to governing body on the basis of risk and their risk schedules. But obviously we (governing body) need to be satisfied that the university is looking at its risks and managing and mitigating them properly..."*

The use of audit committees by university governing bodies to govern (oversee) risk was recommended by the higher education funding councils and the CUC (2004) governance

guide. However, audit committees do more than just govern risks since they also examine the finances of the universities, ensure the effectiveness of the financial control systems, establish a system of whistleblowing, review the system of internal audit, assess the performance of the external auditors as well as review the statement of corporate governance of the institution.

However, in some universities, it is the strategy committee that performs this function on behalf of the university governing body. A lay governor of Ashgrove University, England (post-1992) Mr. Francis represents this view in his account thus:

> *"...We (governing body) govern risk through the Strategy Committee and through other committees as well, but it's quite important that when a project is put in front of us we understand the degree of risk there is with that project".*

The use of the strategy committee to govern risk on behalf of the governing body appears to be unusual as strategy represents the future whilst audit deals with the past and present.

The evidence from the case study institutions showed that while the university governing bodies in England utilise their audit committees to govern risk their counterparts in Scotland use other committees for the same purpose. It is difficult to explain this difference in practice between the two country cases.

In confirming the part played by risk reports in enabling the governing body monitor the risks and system of risk management in the institutions, a chair of governors of Liberty Trust University, England (post-1992) Mr. Barry represented the majority views of the respondents thus:

> *"... we (governing body) will want regular reports on it so that we know the extent to which the risk is either materialising or is in fact under control...We want to be in a position where we are getting regular reports and if something is going wrong...what we don't like is a silence for a long time and then suddenly you fall off the edge of the precipice"*

During the observation of the meetings of five of the university governing bodies, risk reports were presented for discussion by either the risk committees or the vice chancellors. When these reports were presented, the governors discussed those risks that were considered high level risks and they asked the vice chancellor how these risks are being mitigated. They mainly commented on financial risks and some other issues that are connected with the non-academic areas of the institutions. They sometimes offered suggestions on how such risks can be mitigated, based on their previous experiences of dealing with such situations and this appears to indicate further that they are mostly concerned with risks they can control. They rarely commented on the risks associated with the academic areas of the university. This seems to suggest their limited knowledge of risks associated with academic issues and which may be one weakness in their attempt at governing the institutions effectively.

It seems risk communication through risk reports is a monitoring and controlling mechanism adopted by the governing bodies to oversee the activities of the executive and the institution.

8.2.2 Linking Risks Confronting the University with Strategy

The evidence in this study based on the observation of meetings of five university governing bodies indicates that governors discuss the risks that are linked with the strategies of the institutions. It was observed that they discussed risks connected with strategies for the recruitment of international students as a source of funding, funding of the university pension scheme, the security of students, financial management and industrial disputes. A discussion with the chair of governors of Liberty Trust University,

England, Post-1992, Mr. Barry after a meeting of the governing body affirms this observation in his account thus:

> *"We have risks associated to all aspects of our strategic plan. So we have a comprehensive schedule and what was talked about at the meeting today as you are aware was linking that risk with the performance indicators. So somebody was saying that the performance indicators are flashing red, red alert on one particular item and what was being discussed today is that that item currently isn't linked to our risk register.*

Linking risk with strategy in this manner accords with the recommendations of CUC (2004) and HEFCE (2005) and is also consistent with the views of Stokes (2004) that the determination of the risks associated with the areas of strategic focus of the institution helps to direct attention to the significant threats to realisation of organisational objectives. In this regard, risk governance can be viewed as a part of the strategy role of the university governing bodies in this study.

Two respondents also expressed the view that the whole practice of risk governance and management is a new phenomenon in UK universities which started a few years ago based on the recommendations of the Turnbull Report (1999) and which the higher education funding councils have adopted in producing a separate risk guide for universities. The chair of governors of University of Waterloo, England, (Pre-1992) recounts as follows:

> *"So but there have been various bodies that have recently looked at governance practice in companies and have made recommendations for change..... recommendations about the duties of directors. And a very important aspect of it (duties of Directors) has been risk assessment that as good governance includes having a system for assessing the risks that you are exposed to and considering whether you can take mitigating action to guard against those risks...And companies are expected to report that they do have such a system and that the board of directors controls it and supervises it, and universities are now expected to do the same thing. The higher education funding council has told universities that it expects them to follow that kind of practice"*

Peters (2005) argues that a risk management framework is being adopted by the UK government as a form of social regulation to effect compliance of educational institutions with the educational policies and goals of the state and which appears to be consistent with the thesis of Hood et al (1999) that describe the UK as a regulatory state. The imposition of risk codes by the funding councils and their subsequent adoption by university governing bodies could foreclose the use of any other approach to risk management in these institutions.

8.2.3 Perceived Risk Confronting Universities

The respondents were asked their own perceptions of the types of risks confronting their universities. They recounted that the following risks were perceived to be high on the risk profile or register of their institutions. These risk factors were perceived to occupy the attention and discussions of the university governors and their governing bodies. The identified risks are shortfall in revenue, change in government policy, low international student recruitment, poor quality of human resources, breakdown in technology, reduced quality of courses, poor development of the estate, ineffective safety and security measures, inadequate implementation of strategic and business plans and poor reputation of the university. The account of the chair of governors of Liberty Trust University, England, Mr. Barry represents most of the views of the respondents thus:

> *"For example, there is risk associated with government changing its policy...shortfall in international students recruitment... so we have risks associated to attracting the right kind of students...the right quality of courses and changes in courses; sources of revenue right down to operational control matters; getting the right estate strategy...You know we have risks associated to all aspects of our plan.*

Another respondent, a lay governor of University of Gangeshire, Scotland, Mr. Maclaren perceives other significant risks facing the university to be breakdown of technology and poor and inadequate human resources thus:

> *"To pick an example of risk is technology. It's very important that there isn't a breakdown of the technology that allows the university to function on a day to day basis...And the biggest risk that we run as a university which sort of covers all the other risks is that we don't have the right people in the right places".*

All the perceived risk associated with the activities of the universities by the respondents were similar to those mentioned in the HEFCE (2005) guide on risk management practice in higher education institutions in the UK as well as those listed by Cassidy et al (2003) for US universities. The areas of risks identified in these documents include strategic, financial, operational, compliance, teaching and reputational risks. The similarity between the UK and the US list of higher education risk factors is not surprising because both lists were generated in conjunction with PriceWaterhouse Coopers albeit at different times and locations. The HEFCE list of risks has the potential to bias the type of risk identified by the various universities as confronting them. This may explain why the risks identified by the universities represented in this study are similar to those compiled by HEFCE. The list of risks identified by the executive of the institutions may in the same manner preclude the university governors from detecting other risks which may affect the institutions.

There is no evidence from the study to suggest that the seven university governing bodies assess the various risks associated with their own governance activities which could enable them mitigate the potential for mis-governance. They rather seem to focus their attention on managerial risks.

8.3.0 Conclusions

In this chapter, I examined the perceptions and participation of university governors in strategy and risk governance processes. The determination of strategy is intertwined with determining and managing the risks associated with them to ensure the successful realisation of the purpose of the universities. The findings concerning the strategy role of university governing bodies in this study seem to indicate that while 2 out of 7 universities adopted an executive-driven reactive-passive approach to strategy, five institutions embrace a collaborative and consensus-driven proactive-active approach to strategy involving the governing bodies, executives and academics. While it also appears the proactive-active approach affords a greater number of lay governors and the entire governing body the opportunity to actively contribute to the strategic decisions of their universities in the strategy process, the participation in strategy in two governing bodies is constrained by the adoption of a reactive-passive approach to strategy. The establishment of a strategy committee to take charge of strategy issues on behalf of the governing bodies of their universities also limit the participation of lay governors in strategy process. The case studies seem to indicate that while two English universities out of 4 adopted the reactive-passive approach all the three Scottish institutions opted for a proactive-active approach. But there was no noticeable difference between Pre-1992 and Post-1992 universities in terms of the approach their governing bodies adopted to conduct strategy.

However, university governors, whose participation in strategy are constrained by the reactive-passive approach of their governing bodies and the establishment of a strategy committee, express a strong desire to be actively involved in the determination of the

strategies of their institutions, since they think they possess some relevant expertise and experience to do so. This appears to indicate that there is a potential for them to become proactive and engage fully with the strategy process in the future.

The apparent high level of involvement of most of the university governors and their governing bodies in the strategy process in this study may be an indication that they are becoming more active and assertive in directing and controlling the future of their institutions thereby breaking the dominance of executive management over the strategic decision making in the universities. This also challenges the assumptions of the managerial hegemony perspective in the strategy process. It also showed that the stewardship theory perspective which advocates collaboration between board and management in strategy and board human resource as an organisational resource for determining the strategies of the institutions could be used to explain this aspect of the governance activities of the university governing bodies.

The foregoing findings on the strategy role of university governing bodies appears to indicate a shift in the governance role of university governing bodies from a purely traditional monitoring role to a more performance-oriented strategy role to enable them to meet the challenges imposed on the institutions by their external environment. That the majority of university governing bodies represented in this study adopted the proactive-active approach to strategy appears to be an evidence of the gradual institutionalisation of discourse and practice of strategy by university governing bodies in this study.

The study also seems to affirm the relevance of the theoretical model proposed by McNulty and Pettigrew (1991) for the study of board members participation in strategy and as a good instrument for the explanation and understanding of the strategy role of

university governing bodies in the UK in the absence of any overarching theory of the strategy role of these bodies.

In this chapter, I also explored the perceptions of university governors concerning risk assessment in their institutions and the role of their governing bodies in the governance and management of the diverse risks confronting their institutions. The evidence from this study seems to suggest that the university governors perceived risk from a technocratic perspective since they viewed risk as a phenomenon that should be identified and mitigated in their universities. The governors view risk assessment in their universities as good governance and management practice. The realist view of risk adopted by the lay governors is not surprising considering their background characteristics as persons who are mostly senior managers, executives and non-executives in industry and business where the discourse and practice of risk management is along the technocratic line of thinking and where their operating business environment favours such an approach to dealing with risks.

Evidence from the case studies indicated that while the university governing bodies in England use their audit committees to governance risk, their counterparts from Scotland utilise some other committees. The evidence from the study seems to indicate that the lay governors are risk-averse in the universities, which appears to be in conflict with their risk-taking attitude in their areas of primary employment in business and industry. This could be as a result of adopting a risk management framework imposed on them by their funding councils that appears to be risk-averse and also regulatory.

The evidence from the study also reveals that university governors perceived financial, operational, compliance, reputational and teaching risks as confronting their institutions.

These risks seem to be those that can easily be identified and controlled by the universities. But there are other risks that could affect the institutions which cannot be identified and controlled. The identified risks were also linked with the strategies of the institutions.

It was observed from the study that the seven university governing bodies adopted the risk management guides proposed by HEFCE (2003) for their practice of risk governance and management in the institutions, which appears to be a governmental strategy for regulating the activities of universities to conform to and accomplish the purpose of government. The accounts of the respondents reveal that the practice of risk governance and management is a new phenomenon in the organisation of higher education institutions in the UK. This appears to be one aspect of the change of culture that UK universities are currently experiencing as a result of the general public institutional reforms initiated by the New Labour government in the UK to ensure financial allocations to institutions are used in accordance with government goals without incurring losses. The findings on the risk governance role and practices of the seven university governing bodies in this study have contributed to knowledge of risk governance activities of university governing bodies in the UK.

In the next chapter, I present the empirical findings on the accountability of the university governors and their governing bodies as well as how the effectiveness of their governance practices and performances are perceived and reviewed.

CHAPTER NINE

UNIVERSITY GOVERNORS' ACCOUNT OF ACCOUNTABILITY AND PERFORMANCE REVIEW

9.0.0 Introduction

The purpose of this chapter is to obtain some insights into how university governors and their governing bodies perceive, engage with and attach meaning to the concepts of accountability and performance reviews of their activities, which have recently acquired many diverse meanings and interpretations within the context of university governance. The accountability of university governors and their governing bodies were explored through the following questions: To whom (if anyone) are university governors accountable? To whom (if any) do they feel accountable? What kind (if any) of accountability mechanisms exist for governing bodies?

I also examined the perception of university governors' ideas about the effectiveness of their own governing bodies and explored how governors engage with reviewing the effectiveness of these bodies as recommended in the Dearing Report (1997), by a CUC (2004) governance code and by the UK Government's agenda for the governance of public institutions.

The issue of accountability and performance of university governors and their governing bodies are explored in this chapter because both concepts appear interlinked with each other. Cadbury (2000) and Holland (2002) contend that both accountability and performance are important issues for any governing board of a corporate firm and that these boards need to be accountable for their own performance and that of the organisation to their various stakeholders. Ramson (1986) asserts that the evaluation of

performance is also an integral aspect of accountability. Accountability therefore appears to enhance performance and vice versa.

9.1.0 University Governors' Perceptions of their Accountability

In this section of the chapter, I explored the accountability of university governors and their governing bodies through interviews and analysis of documents. The university governors were asked to whom are they accountable and to whom do they feel accountable? The respondents perceived and conceived of their accountability and that of their governing bodies in various ways which are enumerated below.

1. Accountable to Government through Governmental Bodies: Most (20 out of 27) of the respondents perceive their governing bodies are accountable bodies and do account to the higher education funding councils and by extension the UK government for the efficient use of public funds allocated to them for the effective governance and management of the institutions. They perceived the funding councils as the authoritative bodies to whom they relate with formally. An ex-officio member of the governing body of University of West Albion, Scotland (Pre-1992), Prof. Kay expresses this view as follows:

> *"Council members are accountable to the Funding Council and to Government...But essentially Council is accountable to Government largely through the Funding Council"*

Their perception of the governing bodies' relationship with government through the higher education funding councils is not surprising because they allocate a substantial amount of research and teaching funds to universities using some funding formulae and the institutions are expected to account to these bodies for the utilisation of such funds. This type of accountability relationship is advocated by the UK government in its higher

education reforms policy where it wants to know how universities are spending the monies allocated to them to achieve its social policies for education and the economy and to make them comply with its accountability requirements and standards.

The governors also mentioned that the funding councils, Public Accounts Committee and the National Audit Office (NAO) could also call the governing body to give information on the accounts and the operations of the institutions if deemed necessary. Although the giving of information may not necessarily constitute accountability, it can enhance it (Mulgan, 2000). The financial memorandum issued by the respective funding councils, which accompanies the allocation of funds to UK universities, demands that the institutions should report on how they complied with the directives on the use of the funds in order to ensure continuous funding. The chair of governors of University of St. Pancras, Scotland (Post-1992), Prof. Roberts expressed this calling to account thus:

> *"The Scottish funding council has a document called the financial memorandum...It's a kind of document of understanding and they hold us, us being Court responsible for ensuring that the money they provide the university to run it is properly used"*

The financial memorandum serves as a means of holding the universities to account annually. These bodies also have the power of sanction over the governing bodies and the universities if they renege of their accountability role. Officially the NAO are the government auditors that have the legal right to audit any public institution that receives financial allocation from government.

Cognisant of the autonomy of universities and their governing bodies in the UK, a lay governor of University of Waterloo, England, (Pre-1992), Mrs Thomas think that governing bodies are held to account by government only if there is a major problem in the institution.

> *"We are in a sense...it's quite frightening...held responsible if things go wrong. Well I think they (government) only step in when something is going wrong. Don't they? That's the norm. Isn't it...as soon as things go wrong they want to know why you're doing something wrong"*

This respondent did not elaborate on the type of problems that may warrant government calling the university governing body to account. However, she may be referring to such previous cases of financial crises as occurred University of Wales College, Cardiff in 1986-87 (Williams, 2006) and the University of Lancaster in the mid 1990s (Deem, 1998; Rowe, 1997) and also the instances of management and governance malpractices as occurred in the universities of Portsmouth, Glasgow Caledonia and Thames Valley (Rowe, 1997, Shattock, 2003; Warner and Palfreyman, 2003) which caused government to call the institutions to account for such failures in order to remedy the situations. This type of accountability is of a principal-agent relationship, which is given support by the agency theory perspective on corporate governance, where the UK government in this case acts as the principal and the university governing bodies as its agents or stewards. The principal calls or holds the agent to account for its stewardship and performance of a public institution.

2. Accountability to Stakeholder Groups: Apart from being accountable to government through the funding councils, about half the number of respondents perceived the university governing bodies are also accountable to some stakeholders of the institutions such as the staff, students, local community, research sponsors but expressed the difficulty involved in trying to account to a whole range of stakeholder groups that have different expectations for the university. The chair of University of St. Pancras, Scotland, (Post-1992), Professor Roberts said:

> *"There is a whole number of people we are accountable to and I mean the students themselves, staff, local authorities, the economic development agencies. It goes on and on and on. So we have a whole lot of stakeholders, and it's very difficult to try and ensure that they're all informed"*

Such multiple accountabilities have been observed to exists in both governmental and non-governmental organisations and have resulted in problems of accountability for these institutions (Edwards and Hulme, 1996; Romzek and Dubnik, 1987; Romzek, 2000). The difficulty of accounting to multiple stakeholder groups has been identified as one of the weaknesses of the stakeholder theory of boards of organisations and that stakeholder accountability, though desirable, is difficult to operationalise. Rather what organisations do is to seek ways to manage stakeholders' interests during decision-making at board meetings and during the entire governance processes (Clarke, 2004; Belal, 2002; Stiles and Taylor, 2001). Stakeholder accountability is assumed to be one of the ways by which organisations can assure their various stakeholders that their interests are adequately protected in order to earn their trust and legitimacy for the organisation. In as much as about 50% of respondents perceived that their university governing bodies are accountable to stakeholders, they did not mention specifically how this accountability is practised in reality. This may be as a result of the sometimes abstract nature of accountability.

3. Self Accountability: Only three respondents think that the university governing bodies are not accountable to any formally constituted higher authority or any stakeholder groups other than to itself. These three university governors are of the view that university governing bodies are the ultimate authority and decision making bodies in the universities and are therefore not accountable to anyone. They cite the law establishing

the institutions as giving the governing bodies the final say in all things that pertain to the universities and do not specify any particular stakeholder group(s) to which they are accountable. It appears accountability is interpreted to mean that the university governor and their governing bodies are capable of directing their actions to achieve the purpose of governance and the universities to which they voluntarily accepted to accomplish in their role as governors. A lay governor of Ashgrove University, England (Post-1992), Mr Matthew perceives this legal independence and autonomy of the universities and governing bodies in relation to their accountability as follows:

> *"To whom is Council accountable? Well I think it's accountable to itself in the sense that at the end of the day some of the decisions made, the buck stops with us so in that formal way we're not accountable to anybody else, we are the last point within this process...We have a Charters and articles of government or statutes...from the Charter it seems to me we run ourselves"*

This particular view of these respondents is not surprising because apart from the various legal instruments of incorporation of the universities, even the CUC (2004) corporate governance framework did not stipulate to whom the governing bodies are accountable. It only specified that universities are "*accountable through a governing body which carries ultimate responsibility for all aspect of the institution*" (p.37). Two of the respondents referred to this type of self-accountability as moral accountability. Mr. Matthew, lay governor of Ashgrove University, England (Post-1992) expressed this moral accountability thus:

> *"I mean you could argue couldn't you that there is a kind of moral accountability towards the students and the staff and the university body as a whole"*

A staff governor of Liberty Trust University, England (Post-1992), Mr. Atkinson buttressed this point further by saying that the governing body is not legally bound to account to any stakeholder groups:

> *"In terms of actually demonstrating accountability to the diverse stakeholders, I guess the governing body can probably be as accountable as it wishes to be if I am being honest. You know it is not required to report to those stakeholder groups"*

This moral accountability perspective of the governors is consistent with the views of Baird (1997), Mulgan (2000), Carver (2006) and Sinclair (2006) that board members could take responsible action based on their inner moral and ethical values to ensure they achieve the purpose of the organisation in line with the expectations of the stakeholders. However, the respondents did not mention how this moral accountability is demonstrated in practice. Based on Kogan's(1986) description of responsibility, it can be implied that moral accountability as perceived by these three respondents is actually a fiduciary responsibility on the part of the university governors and their governing bodies to act always in the best interest of all stakeholders and the society which they claim to represent (even though they are not formally elected) without formally being accountable to them directly. This appears to mean that there is no formal accountability relationship on the part of the university governing bodies with their identified stakeholder groups, because they are not legally bound to account to them. The stakeholder groups also appear not to possess any formal authority or power or any legal right to call or hold the university governing bodies to account unlike the case of the funding councils that can use the threat of withdrawal of continuous funding as a means of enforcing accountability. The chair of governors of University of St. Pancras, Scotland (post-1992) represents this view thus:

> *"In theory yes but in practice no. I mean I don't know what our stakeholders would do if they thought we were doing a bad job. It's not like a private company where the shareholders can cause a change in management...I don't think the formal process is there for them to do that, if we're not. Our stakeholders in general don't really have the authority to do that..."*

The views expressed by the respondents show the inability of stakeholders to call university governing bodies to account which accords with Stewart's (1984) model of accountability that stakeholders may not possess the authority to hold an accountable body to account and even the power to sanction them.

However, Stiles and Taylor (2001) contend that boards are not accountable to stakeholders. Clarke (1994) also argued that the concept of stakeholder accountability is not practicable and that it is just a public relations device. Shattock (1998) had also observed that the 1992 Education Reform Act appears to be unsuitable for the purpose of public accountability. He observed further that the Act makes governing bodies to assume they are accountable but in practice they do not account to any constituency. A number of reasons can be advanced for this seeming lack of accountability of these university governing bodies to stakeholder groups. Firstly, this may be as a result of the lack of authority on the part of the identified stakeholder groups to enforce the accountability of the university governing bodies. Secondly, the chairs of university governing bodies and their lay governors who constitute a majority on the governing bodies also do not seem to represent any defined stakeholder group and therefore have no obligation to account to any constituency of interests internal or external to the university. Thirdly, the law establishing the universities appears not to specify an accountability relationship between the governing bodies and any stakeholder groups, and therefore, does not make it legal for them to be accountable to these groups.

4. The Executive is the Accountable Body: In spite of the previously expressed conceptions of accountability of the university governing bodies, three other respondents argued that it is the vice chancellor that is actually accountable and not the governing body. The respondents perceived the vice chancellor as the officially designated accountable officer of the university that reports the activities of the university to any recognised group with an interest in the affairs of the institutions. They are of the view that the governing body does not account for the management of the institutions to any external or internal bodies. A lay governor of University of St. Pancras, Scotland (Post-1992), Mr. Silberston represented this position in his account thus:

> *"Well we (governing body) don't report to them (funding council). The Principal reports presumably to the funding council. There are reports that go off to the funding council saying what we're doing..."*

Furthermore, a lay governor of University of West Albion, England (Pre-1992), Mr. Tyler also argued strongly in support of the above views thus:

> *"No-one, full stop, no-one...Let's do the arguments. If the university were to find itself with a big systems failure...the person who is accountable to the Government and to Parliament formally speaking, to Public Accounts Committee is the Vice Chancellor. The Vice Chancellor carries the lead burden of accountability for the delivery of the university, not just to the governing body but also to the funding council, not just the funding council but the other funders and to all. Vice Chancellors are formally appointed as accountable to Parliament...Alongside that, any other allegations of accountability are sort of shadowy. Think about it".*

In the event of a "systems failure", as expressed by Mr. Tyler, which could result from misuse of funds allocated to the university or general maladministration as had occurred in some post-1992 institutions in the past, it is the vice chancellors and not the governing bodies that resigned. The previous working relationship of Mr. Tyler with universities and the higher education funding council appears to present him with a broader

perspective of the accountability and reporting relationship between UK universities and all formal and informal groups. The perceptions and the arguments put forward by these two lay governors appear to correspond with the official position about the accountability relationship between universities and all other stakeholders of the institutions including the higher education funding councils for England and Scotland. The CUC (2004) governance framework for university governing bodies in UK also stipulates clearly that the vice chancellor is the accountable officer of the university and that the role of the university governing body in the accountability process is limited to *"receiving and approving the annual accounts (audited financial statements)" (p.18)* and to also hold the management of the university to account. Even the Financial Memorandum issued by the higher education funding councils of England and Scotland stipulates that the vice chancellor is the accounting and accountable officer in terms of the finances and effective management of the institutions. Both the interview accounts of the two respondents and documentary evidence suggest that the university governing bodies are not in reality the accountable bodies, but the vice chancellors are the accounting and accountable officers of their institutions.

Another interpretation and .dimension of accountability which data from the study suggests is that the governing body is legally required to call the vice chancellor to account for the finances and the overall management of the institution. This particular function of calling the executive to account by the governing body can also be delegated to its Audit Committee who scrutinises and evaluates various accountability and monitoring reports and forms an opinion about them. They then make their recommendations to the governing body for consideration and approval. The Audit

Committee by statute is a committee of the governing body usually composed of majority of lay governors and chaired by a lay governor with experience in finance matters. A lay governor of University of Waterloo, England (Pre-1992), Mr. Dickson perceives this particular accountability role of the governing body of holding the vice chancellor to account for the general performance of the institution thus:

> *"It is our (governing body) function to see that the university conducts its business in a proper manner, and if necessary to express ourselves as to how that is being done if we're not happy with it... I mean particularly if I think of the work of the Audit Committee...I think it's demanding on the people on it and it's also demanding on those that come before it including Vice Chancellors. Everyone can be called in to report to us on how and why they're doing what they're doing. Now that is a very good way of checking what is happening in the university and of course that committee reports to Council"*

This finding is consistent with those of Deem et al (1995) and Levacic (1995) when they observed that schools governing bodies do not particularly perform any major accountability role in their institutions.

The accountability of the vice chancellor to the university governing body, as revealed in this study is an internal upward and hierarchical process, which is consistent with Kogan's (1986) and Baird's (1997) managerial accountability model. It is also consistent with the agency theory and Stewart's (1986) accountability perspectives, which requires the vice chancellors as the agent or accountable body to render account to the governing body and the funding councils on how the funds allocated to the university have been utilised to achieve the strategic goals of the institution. Holland (2002) in their study of board accountability found that boards are not accountable and that it is the responsibility of the CEO to convey the decision to the stakeholders.

9.2.0 Mechanism of Accountability

The mechanisms of accountability are the means through which universities render account to the funding councils, stakeholders and the public at large. During the interviews, the respondents were asked what mechanisms of accountability exist for the university governing bodies.

The respondents mentioned the university annual report which is forwarded to them by the vice chancellor. The annual report is a document containing the chair of governor's report, the vice chancellor's report, the auditor's report, the statement of corporate governance, governors' responsibilities, the financial statement of account and other relevant information. These annual reports are also placed on the websites of the institutions for the various stakeholders and the public to access. These annual reports are prepared by universities based on the templates provided by the university funding councils for their own evaluation needs and to meet the demands of the accountability requirement of government. This is also in response to the Freedom of Information Act 2000 which makes it mandatory for public institutions to respond to public requests for information they hold. In response to the Act, information such as annual reports of the universities is placed on their websites to satisfy the information needs of the public about the institution. Mr. Atkinson, a staff governor of Liberty Trust University, England (Post-1992) said:

> *"It does so through placing its financial statements (annual accounts) in the public domain through things like freedom of information being available"*

The Freedom of Information Act 2000 is a UK Act of parliament which gives the public the general right to know and access on demand information held by public institutions.

The Act requires public institutions to maintain proactive "Publication Schemes" in anticipation of such requests for certain information from the public. .

This appears to have been done also in compliance with the Nolan (1996) principles of standards in public life which aimed to make the activities of public institutions open and transparent for scrutiny.

Another mechanism of accountability mentioned by the respondents is the use of the university website to communicate information to the public, staff, current and potential students. An ex-officio member of the governing body of University of West Albion, Scotland (Pre-1992), Prof. Kay attested to the use of the university website to communicate information but argue that a lot of that information is to some extent a publicity device and may not reflect the reality of the activities and performance of the university thus:

> *"It isn't...er...that accountability is not implemented or effected in any easily tangible way other than through either public opinion or in how we as an institution publicise our performance and activities....er...so it's our publicity material, it's what we say on our website"*

The perception of this respondent receives support from Christensen and Skaerbaek (2007) and Farrell and Law (1999) who also observed that annual accounts are used by governing boards as a mechanism of accountability but sometimes utilised with the intention to create a particular reality about the organisation in the minds of the stakeholders and the public at large.

The data reveals that the annual report and websites of universities were used as mechanisms of accountability by the university governing bodies in this study. However, there is no evidence from this study to suggest that university governing bodies actually use these mechanisms to account for their stewardship of the institutions. Rather these are

the structures utilised by the vice chancellors for their own accountability and to meet the information needs of the public about their universities. This appears to be the reason Deem et al (1995) observed that very few mechanisms are in place to make school governors accountable to the interests they purport to represent, because they are not contractually bound to account to their stakeholders. However, as mentioned earlier in this section, the mere provision of information to the public does not amount to accountability.

Having examined the issue of the accountability of university governors and their governing bodies, I explore in the next section what constitutes the effectiveness of the governing bodies and how the university governors engage with the review of the effectiveness of these bodies. One of the elements of accountability which the higher education funding councils require universities to submit is a report on how the governing bodies complied with the CUC (2004) governance guide and how they determined their own effectiveness and those of the governors.

In the next section of this chapter, I examine the perceptions of the university governors about how they determined their own effectiveness and how they review their governance effectiveness and performance.

9.3.0 Review of Effectiveness of Performance of University Governing Bodies

In the literature of corporate governance, there is no generally accepted definition or conception of governance effectiveness. The perceptions of the university governors as to what constitutes the governance effectiveness of their governing bodies and how they engage with the issue of reviewing the effectiveness of performance of these bodies were examined in this study. I also examined whether they have reviewed the effectiveness of

their governance practices, that of their governing bodies and the individual governors as recommended by the Dearing Report (1997) and the CUC (2004) governance framework.

9.3.1 Determinants of Effectiveness

The elements of effectiveness discussed below were considered by the respondents to be crucial in determining the effectiveness of the performance of the university governing bodies represented in this study.

1. Knowledge, Skills and Expertise: Most (about 19 out of 27) of the respondents perceive the knowledge, skills and expertise (human resource) possessed by university governors as important elements that provide the preconditions for the effectiveness of the governing bodies. Specifically, the respondents mentioned such attributes as general and industry specific knowledge, general professional experience, technical and specialist expertise and competencies of the governors as factors that could determine their effectiveness and that of a governing body. They perceive these attributes as enabling the governors to perform their governance roles and responsibilities effectively and to support the vice chancellor, the executive and the university in achieving the strategic goals of the institutions. The chair of governors of University of Stokefield, Dr Miller represents the views of the other governors concerning the need and usefulness of these attributes to the effectiveness of the governing body and the university as follows:

> *"I think it's important that the Court (governing body) should have amongst its lay members a range of skills each of which is relevant to the effective governance and management of the university...someone with a legal background...financial background...chartered accountants or have had accounting experience...HR...Someone should be skilled in entrepreneurial activities...somebody who has worked in the past in the school or education sector...retired academic from another university...experience in business, experience in a major administrative sector who can bring that kind of perspective to bear on the different aspects of the institution".*

Governing bodies of universities place a very high premium on recruiting persons with relevant human resource as lay governors to contribute to the strategic debates of the governing bodies and to direct the institutions to achieve their purpose. The Jarratt Report (1985) on higher education governance reform emphasised the need for the recruitment of external lay governors with relevant skills, knowledge and experience onto university governing bodies. This recommendation was incorporated in the Education Reform Act 1988, which specifically states that such persons should be appointed from business, industry and the professions. The recruitment of lay governors by university governing bodies examined in Chapter 7 actualised these recommendations. Nicholson and Kiel (2004) and Leblanc and Gillies (2005) had also noted the contribution of knowledge, skills and expertise of board members towards the effectiveness of governing boards of organisations when they proposed their different theoretical frameworks for investigating the governance effectiveness of boards. Nicholson and Kiel (2004), Van der Berghe and Levrau (2004) and Leana and Van Buren (1999) argued that there should be a match between these attributes possessed by members of boards and the specific governance roles they are expected to perform, which invariably contributes to effective governance performance.

The perception of the respondents concerning the contribution of these attributes of the lay governors to the governance effectiveness of the governing body can be explained from the theoretical perspective of the stewardship theory of board corporate governance. The theory advocates a governing board with relevant human resource that can be utilised to support the executive, the governance and university processes in order to ensure the achievement of the set strategic direction and strategies of the institutions.

According to some of the respondents, one way by which the university governing bodies maximise the use of the knowledge, skills and expertise possessed by lay governors for effective governance performance is to appoint them to serve on specific committees of the body where they can contribute effectively to the discussions and debates at that level. Most of the detailed discussions and debates of the governing bodies are presumed to be done at the committee level. Professor Simpson, an ex-officio member of the governing body of University of West Albion represents this particular view expressed by more than half of the respondents in this study as follows:

> *"Well I think in the key areas, for example...you obviously have lots of committees that report to Council, and therefore you try and match up the expertise of the people you have to those that you require on those committees. So for example, clearly Finance and General Purposes, you need someone who understands about finance...For strategy, well Strategy Committee, everyone's a member of that basically...So it's clear that particular committees have particular expertise and you try and match up the type of person you have with the type of skills you need".*

Maximising the use of human resource in this manner has been advocated in the various corporate governance codes and guides and it is viewed as an aspect of good governance practice which can raise the level of corporate governance in the universities. However, some of the respondents were quick to add that the knowledge possessed by lay governors does not cover the academic side (teaching and research) of the universities. A lay governor from Liberty Trust University, Mr. Lander disclosed this viewpoint in his account thus:

> *"What we're here to do is to add value in areas where you have less skill. So we're not here to come and to show you how to teach; you know more about teaching than anybody else can know, but when it comes to commercial activity maybe you're not the best experts in commercial activity, we have more experience than you have".*

This is consistent with similar findings by Deem et al (1995) in their study of school governing bodies in UK when they observed that lay governors do not contribute to debates concerning purely educational matters such as curriculum. However, two university governing bodies represented in this study have made attempts to recruit both retired and serving academics from other institutions onto their governing bodies in order to bring an outside perspective to bear on the academic aspect of discussions of the governing bodies. However, the emphasis on the possession of certain skills and expertise by lay governors appears to negate the original principles and practice of lay participation in university governance.

2. Induction and Development: Another element of effectiveness which about half of the respondents perceive as an important contributor to the effectiveness of university governing bodies is the exposure of university governors to comprehensive programmes of induction and development. These are intended to enable the university governors to adjust quickly to their new governance roles and responsibilities as well as to enhance their governance capacities. It is also an attempt to expose the governors to current issues, debates and trends within the higher education sector in order to update their knowledge to enable them to make the right governance decisions. The building of the governance capacity of university governors were perceived by the respondents as indicative of the effectiveness of their governing bodies. A staff governor of University of St. Pancras, Mr. Richards represents this view in his account thus:

> *"...One of the ways we make members of court(governing body) to be effective is that we have an induction programme for new members...Each get a mentor...they can discuss whatever it is they have an interest in. It is also done by promoting and encouraging and paying for members of Court to attend sessions organised by the CUC...I think it's the Leadership Foundation that organises that, and there's quite a nationally*

organised programme of events and courses which we encourage our governors to attend. So I think we do it quite well"

Some of the respondents perceived training and development needs of governors that could enable them to build their capacity in order to function effectively in their governance roles to include having an understanding of the university/academic culture and environment; understanding the sources and mechanisms of funding of universities; commercialisation issues; knowledge of the constitutions/charters of universities; academic and budget decision-making processes; academic governance and management styles; understanding the relationship between the governing body, management and senate/academic board. There seems to be a need for lay governors to acquire some knowledge and understanding of the processes and environment in which the institutions operate to enhance their governance effectiveness since the majority of them are appointed from the external environment of the institution and are unfamiliar with issues in the higher education sector. A lay governor of Liberty Trust University, England (Post-1992), Mr Lander supports the training and development of governors thus:

"So there's a training aspect that goes in place which means that we then get to understand the university environment (interruption)...how a university works and operates - how an academic board makes those kinds of decisions; how they make decisions about budgets...how they get their funding; and we get trained on that".

Training and development programmes for lay governors of universities accord with the findings of Brudney and Murray (1998) that continuing improvement of boards through training and development was perceived by their CEOs as measures of governance effectiveness. Kiel and Nicholson (2005) and Holland et al, (1989) in their development of frameworks for the study of governance effectiveness of boards of nonprofit organisations and universities respectively also considered board improvement through

induction, training and development as determinant of board governance effectiveness. These development programmes can also enhance the capacity of lay governors to differentiate between governance and management roles.

3. Compliance with Governance Guides and Legal Frameworks: Almost all respondents perceived the compliance of university governing bodies with the CUC (2004) governance code, the institutions' legal frameworks (e.g. charters and statutes) and government policy directives which directly affect the institutions as good determinants of the governance effectiveness of university governing bodies. A lay governor of Ashgrove University, England (Post-1992), Mr. Matthew represents this view thus:

> *"...well there are the guidelines, and I'm a great believer that if there are procedures and policies...you know that we have the statutes and the ordnances and so on. Clearly these are matters that need to be followed religiously it seems to me...The guidelines published by the CUC are helpful to me. So when we comply with them, they help us govern the university effectively".*

The CUC (2004) governance code is proposed to guide the university governing bodies in the UK in their governance roles, responsibilities and practices and it stated explicitly that for the university governing body their "effectiveness shall be measured both against the statement of primary responsibilities and compliance with the Code" (p.15). However, the code may represent one way of viewing the practice of university governance. As revealed in Chapter 6, universities have their peculiar contextual factors that could make their governing bodies apply the recommended practices in the code differently. For example, the CUC (2004) guide recommended the use of an audit committee to govern risk, but some university governing bodies in this study use other committees for this purpose.

The various institutions also have their individual legal frameworks that guide their activities. Apart from these governance codes and legal frameworks, there are the various government policies and directives which require the compliance of the universities and some of these have legal consequences for non-compliance. This accord with the Dearing Report (1997) which recommended that universities should comply with governance codes and frameworks or face the threat of withdrawal of funding.

In the literature on corporate governance, researchers such as Schmidt and Braucr (2006) and Leblanc and Gillies (2005) emphasised the use of compliance with governance codes as one element of the effectiveness of boards of organisations. Ingley and Van der Walt (2005) further argued that good governance is not defined and specified in law but it is entrenched within "codes of practice, principles, standards and guidelines" by the appropriate stakeholder groups (regulators) reflecting their perception of best practice. Steinberg (2000) advocated the conformance of boards with charters and other legislative and constitutional frameworks to ensure their governance effectiveness. It is therefore not surprising that almost all respondents perceived the compliance of the university governing bodies with externally imposed codes, policies and regulations as components of their governance effectiveness.

However, Garratt (2007) has criticised this notion of equating effective corporate governance with compliance with governance codes as demanded by regulators and practiced by boards. He argued that Enron was 100% compliant with all the regulations but still collapsed because it lacked ethical enterprise. The Lambert Review (2003) also perceives governance codes as frameworks for the practice of governance rather than determinants of governance effectiveness. However, compliance with codes of

governance may not necessarily translate to governance effectiveness of the university governing bodies.

In the case studies, there were no noticeable country and institutional differences in the various accounts of the respondents concerning the compliance of university governing bodies with externally imposed governance codes, policies and regulations as a measure of the governance effectiveness of university governing bodies. This may be attributable to the fact that all the institutions operate in the same regulated environment and are subject to the same control and compliance regimes of government. They are also required by their funding councils to adopt the CUC (2004) governance framework.

4. Achievement of Strategic Objectives of the University: A further determinant of governance effectiveness of the university governing bodies that was perceived by some (8 out of 27) of the respondents is their involvement in determining and approving of the strategic objectives of the universities which invariably leads to the successful performance of the institutions. The chair of governors of University of Waterloo, England (Pre-1992), Mr. Carrington puts this view in perspective when he said:

> *"Well according to the performance of the university and you can't really separate out the performance of Council from the performance of the university. So we.....I mean the ultimate indicators of our performance are whether we have a healthy financial situation, whether we're living within our income and achieving good results with that"*

A lay governor of the University of St. Pancras Scotland (post-1992), Mr. Bloomfield confirmed this same view when he said:

> *"Well the ultimate test, the acid test will be 'does the strategy that we've set down and agreed for University of St. Pancras, does that deliver, does it make the institution successful..?', that would be the ultimate test of our effectiveness"*

These respondents appear to link the effectiveness of the university governing bodies with the overall performance of the institutions based on their involvement in contributing to determining and approving the strategic objectives and strategies of the institutions. The CUC (2004) governance code stipulates that the university governing body should be involved in developing and approving the strategic plan of the institution, thereby playing its strategy role/performance role. There appears to be some evidence from Chapter 8 that university governing bodies participate actively in determining the areas of strategic focus and even some of the strategies of their institutions.

This finding is in accord with those of Bradshaw, Murray and Wolpin (1992), Van der Walt and Ingley (2001), Herman and Renz (1998) and Golden and Zajac (2001) that governance effectiveness depends on the overall contribution of the board to the performance of the organisation through their engagement with the strategy process of their institutions. Leblanc (2004) proposed that the strategic decision making effectiveness of the board is the factor that links the board's governance effectiveness with the financial performance of the organisation. Some researchers have questioned the relationship between effective corporate governance and organisational performance (Bennett, 20002; Patterson, 1998; Cadbury, 1997).

9.4.0 Conduct of Review of Effectiveness

The conduct of review of effectiveness of university governing bodies concerns how these bodies go about assessing the effectiveness of their governance performance. It also relates to their compliance with the CUC governance framework. The majority of the respondents recalled that their respective governing bodies had reviewed the effectiveness of their governance practices using the CUC (2004) governance framework

as a guide. A chair of governors of University of West Albion, England commented on the review thus:

> *"I've conducted two reviews of the governance of West Albion during my time on Council. They were primarily to see whether the working of the governing body was effective and if not to make it more effective. So we looked at the membership of the governing body, the way it operated, the papers that it received, the information it received and its general way of proceeding, and as a result of and in each case we made some changes to the governance. I was also on the CUC working party on governance of universities that produced the guidelines a year or so ago. So I've been interested to look at governance".*

In conducting these reviews while the governing bodies of the Pre-1992 case study universities engaged the services of external assessors, their Post-1992 institutions used some specially constituted committees or were done by the secretaries to these bodies. The reviews were conducted using questionnaires distributed to all members of the governing bodies to assess the performance of the bodies along certain pre-determined dimensions of governance. A lay governor of University of Waterloo, England (Pre-1992), Dr Blade represented this view thus:

> *"We set up a committee to look at our effectiveness...We had an independent person from outside assisting us on that. But we've had a questionnaire sent round all the members of Council and it was a detailed questionnaire asking how well we did a lot of different activities and whether there's room for improvement, and how we can do things better"*

The use of a self-assessment questionnaire to determine board governance effectiveness is common practice among board governance researchers such as Herman, Renz and Heimovics (1997), Holland, Chait and Taylor (1989), Smart (1989), Van der Walt and Ingley (2001), Leblanc and Gillies (2005), Gill, Flynn and Reissing (2005) and Shattock, 2006). But such practice appears to rely on a lot of self-reflection on the part of the governors and not every one individual has this attribute.

Most respondents recount that their university governing bodies do not formally assess the effectiveness of the individual university governors and the committees. A staff governor of University of St. Pancras, Scotland (Post-1992), Mrs. Keith represents this view by saying: *"We don't do that in any formal way...at the moment I don't think it is done"*.

However, there is an on-going debate within the governors' circle as to whether individual governors should be assessed formally or not. A formal performance appraisal of individual governors is perceived by most of the respondents to be inappropriate because they are not paid like their counterparts in industry. They argue that these governors offer free professional service which would have cost a lot of money if the universities were to engage the services of external professional advice.

But a contrary view among the respondents is that if the governors have volunteered to serve the universities then they should readily subject themselves to a formal annual appraisal in order to get feedback as to the areas where they need improvement. These opposing views are presented below:

A lay governor from Ashgrove University, England (Post-1992), Mr. Francis who is opposed to formal assessment of governors has this to say:

> *"There should be no appraisals of members of Council, and after all you have to remember that certainly as far as the lay members are concerned they're all doing it pro bono out of the goodness of their hearts, not because they get any benefit as a result of doing it"*

Another lay governor from Ashgrove University, England (Post-1992), Matthew who thinks governors should be appraised perceived it thus:

> *"I'd be very happy for someone to say to me Matthew you know we appreciate what you're doing but we feel that these are aspects you could improve on and if they did it constructively and didn't knock my good intentions and the work I put in I would welcome that. I wouldn't be adverse to it at all"*

However, the nominations committees of the respective university governing bodies are expected to assess the performance of individual governors most especially when such governors are seeking re-appointment to serve a further term. But this exercise is not often conducted and may not be a reliable method of assessment since it focuses on individuals, whilst governing bodies are corporate actors and, as such, have collective responsibility.

Generally, almost all respondents expressed satisfaction with the quality of human resource represented of their various governing bodies as well as with the performance of the governance effectiveness of the governing bodies, which was revealed as a result of the effectiveness review that was conducted. They claimed that the few areas of weaknesses identified as a result of the review were being improved upon. A lay governor from Liberty Trust University, England (Post-1992) expressed his satisfaction with the outcome of the review thus:

> *"I'm satisfied with the expertise on the board but we're always reviewing it and always identifying what as it were we need from the next appointed set of governors"*

Another lay governor from University of St. Pancras, Scotland (Pre-1992), Mr. Silberston said:

> *"After the review, we ended up feeling quite positive about the way Court was behaving and we felt it was operating and governing effectively"*

The reviews of governance effectiveness conducted by the various university governing bodies were based on self-assessment and the perceptions of the individual governors.

The conclusions emanating from such self-evaluation techniques have been criticised for their biases (Kiel and Nicholson, 2005).

9.5.0 Conclusion

Most of the university governors in this study perceived the governing body as the accountable body of the university and are accountable to various governmental bodies such as the higher education funding councils and the National Audit Office. Some of the governors perceive the governing body as accountable to the various stakeholders. A few of the governors are of the view that it is accountable to no one but to itself. This appears to indicate that university governors and their governing bodies have multiple accountabilities to various constituencies. But there seems to be a lack of consensus among the university governors as to the exact accountability of their governing bodies. These governors did not indicate specifically how the governing bodies demonstrate this accountability in practice to these governmental agencies.

The legal instrument establishing these universities and their governing bodies described them as independent and autonomous as well as the supreme authority and final decision-making bodies and, therefore, did not specify any clearly defined lines of accountability relationship between the university governing bodies and any other stakeholder groups of the institutions.

However, the evidence from the study suggests that the university vice chancellors are the officially designated accounting and accountable officers of their institutions. The accountability role of the governing bodies is limited to calling the vice chancellors to account as well as approving the accountability reports prepared by them. The university governors in this study also think they are accountable to a host of stakeholder groups but

there is no evidence of stakeholder accountability being particularly enforced or practised by the university governing bodies represented in this study.

There was also no official forum through which the university governing bodies could account to their stakeholder groups more especially with the lack of prescription for university courts in higher education institutions in UK by the 1992 Education Reform Act. Despite the empowering of university governing bodies by the 1992 Act, the Jarratt (1985) and Dearing (1997) reports in the UK, there appears to be no provision for them to enter into an accountability relationship with the stakeholders of the universities. This does not provide for a 'dialogue of accountability' (Thomas and Martin, 1996) between the governing bodies and the stakeholders of the university, thereby resulting in an 'accountability deficit' between the two parties.

The findings of this study also indicate that performance reviews have gradually permeated the governance activities of university governing bodies in the UK. Though, still at its preliminary stage, there is a tendency that it may increase in intensity and the evaluation process may become more focused and comprehensive to the extent of incorporating formal appraisal of individual governors and the committees. The perception of the university governors that engagement with the strategic governance role is an indicator of governance effectiveness appears to show that performance issues are being taken seriously by university governing bodies in the UK. The burden of compliance regulations as observed in this study has not in anyway deterred the university governing bodies from focusing on performance issues. The benefits that may accrue to the governing bodies for engaging in such self and internal evaluation may be the motivation and the confidence that could be required for them to enlist the services of

independent external assessors in the near future in order to make the review process free from bias and to entrench rigour into the entire evaluation exercise.

Most of the perceived elements of the determinants of effectiveness of the university governing bodies represented in this study appear to be input and process issues that lead to effectiveness which is an output measure. Only the element of achievement of strategic objectives of the institution appears to be an outcome issue that can be said to be a measure of governance effectiveness. But there is no empirical evidence to link effectiveness of corporate governance with corporate performance. Concrete measures of governance effectiveness are yet to be fully determined by research.

In the next and final chapter, I discuss the main findings of this study and the conclusions drawn from them in relation to the purpose of the study, the research questions as well as within the context of the higher education governance reforms that are taking place in the seven universities in this study.

CHAPTER TEN

DISCUSSION AND CONCLUSIONS

10.0 Introduction

This study is about the governance of higher education institutions in two countries of the UK, namely England and Scotland, focusing on the perceptions of university governors and their accounts of lay governance practices as well as observation of some of the activities of university governing bodies, with particular attention to the process of corporatisation of university governance. The project is not concerned with academic governance and the activities of senates or academic boards of universities, nor is it interested in the management activities of the executives of the institutions. However, governing bodies do relate to these decision-making bodies and groups in the performance of their various governance roles and practices.

The review of literature on the activities of university governing bodies in the UK shows little empirical research on the governance roles and practices of university governing bodies in the UK. The only notable study on this issue in UK universities was conducted about a decade ago by Bargh, Scott and Smith (1996). Since then numerous governance changes appear to have taken place in universities as a result of the Dearing Report (1997), Lambert Review (2004), new developments in corporate governance (Turnbull Report, 1999; Higgs Report, 2002; Smith Report, 2003; UK Combined Code on Corporate Governance, 2003) and the modernisation of public services programme of government in 1999 and no comprehensive study has been conducted in order to determine the extent to which universities have responded to these governance reform initiatives. This study has attempted to fill some of the identified gaps in the literature of

university governance in the UK and this chapter summarises the main findings of this study as well as suggesting areas of future research.

The study is based on comparative multi-site case studies of seven universities in England and Scotland made up of three Pre-1992 and four Post-1992 institutions involving a total of 27 university governors in which about two thirds of them were lay governors and chairs of governors. The study was conducted between 2005 and 2008. Specifically, it set out to examine how university governors and their governing bodies perceive, engage with and attach meaning to their governance roles and practices within the context of the various higher education governance reforms in UK universities. The governance roles and practices of the governing bodies were explored through the perceptions of governors, observation of meetings of governing bodies and analyses of various documents emanating from the institutions and other related bodies and materials from their websites.

In order to address the purpose of the study and subject it to empirical and interpretive investigation, the following four research questions were framed:

- **RQ1:** What are the background characteristics and perceived motivation of university governors in seven governing bodies in England and Scotland for participating in institutional governance and their mode of recruitment?
- **RQ2:** How do members of these seven governing bodies perceive and understand their governance roles and practices in English and Scottish universities and how have they been able to separate their governance roles from those of management?

- **RQ3:** How do members of the seven governing bodies discuss the performance of their governance tasks and how do these governing bodies actually operate?
- **RQ4:** In what ways do members of the seven governing bodies claim to assess the effectiveness of their governance practices and performance?

Two main levels of comparative case analyses using thematic framework procedure (Ritchie and Spencer, 1994; Lacey and Luff, 2001; Ritchie, Spencer and O'Connor, 2003) were conducted and these are the country and institutional cases made up of the English and Scottish universities and the Pre-1992 and Post-1992 institutions respectively. In this study I adopted some organisational governance theories as developed in Chapter 3, to explain and interpret the analysed data concerning governance perceptions and practices of university governing bodies.

10.1Governors and their Governance Roles

In this study I set out to examine the university governors' background characteristics, their motivation for participation in institutional governance, their method of recruitment, their perceptions of the governance roles of the governing bodies and their accounts of their practice and whether they made a distinction between governance and management roles. These issues were first investigated by Bargh et al in 1996 and since then almost no other studies have been conducted in this area. The evidence from this study has provided some new and detailed insights into these issues in seven English and Scottish universities.

The evidence from this study showed that almost all the lay governors interviewed were persons with high educational qualifications and occupational status. The majority of them were those appointed from business, industry and the professions (such as

accounting, finance, law, engineering, etc) with just a few from other fields of employment. A very large proportion of these lay governors are non-executive directors, directors and senior managers of business and professional organisations in the private sector of the economy. These were found to be the types of persons recommended by the various higher education governance reforms (Jarratt, 1985; Education Reform Act 1988; Further and Higher Education Act 1992; Dearing, 1997; Lambert, 2003) as having the required human and social resources as well as the necessary experience to be lay governors in UK universities. They also appear to have the capacity to act as change agents (Bargh et al, 1996) to initiate and transform the governance and management cultures of these institutions from the collegial to a corporate approach which operates on business principles and practices prevalent in the private sector.

The profiles of the lay governors in the seven case study institutions were found to be very similar and this is partly because the reform reports recommended the particular constituencies from which such persons should be drawn and certain characteristics they should possess. For example, lay governors were to be drawn mostly from business, industry and the professions and should have relevant experience in corporate governance and management issues among others.

The evidence from this study showed that most of the lay governors had multiple motivations for joining their governing bodies. The two most common motivators as perceived by the lay governors were their desire to contribute to the improvement of the governance and management practices of the institutions and to develop their universities, communities and society in general. However, some of the lay governors were motivated to participate in governance because of certain intangible benefits that

could accrue to them from such participation. The staff governors and a few lay governors were mainly motivated to join their governing bodies because they were either nominated or elected by their constituencies in the university as provided in the statutes of the institutions. For the ex-officio governors, who are mainly deputy vice chancellors and pro-vice chancellors, the reason for joining was because it was part of their job to participate in governance decision-making. The multiple motivations experienced by the lay governors could enhance their capacity to perform many of the governance roles and engender their commitment to institutional governance and development.

The evidence from the country case studies showed that a higher proportion of lay governors from university governing bodies in Scotland than their counterparts from England appeared motivated to contribute to the development of their communities through participation in institutional governance. This difference between the two countries could be partly attributed to the greater community orientation of Scots. This might imply that cultural contextual factors are capable of shaping some aspects of lay participation in university governance in the seven governing bodies in this study. This difference can also be attributable to the effect of devolution, which gives the two countries the opportunity to emphasis certain areas of governance they may wish to pursue.

In addition, a larger number of lay governors from the Post-1992 university governing bodies than their Pre-1992 counterparts felt motivated to participate in governance in order to develop their universities. This may be due to the need for rapid growth and development of these institutions to enable them to catch up with their well-established Pre-1992 counterparts and to compete with them.

In this study the 34 motivational factors based on the perceptions of the university governors was used to develop a typology of six motivational categories and was also adopted to classify the motivations of the university governors. This typology of motivations could serve as a basis for the development of a new theory of motivation for the participation of lay people in university governance in the UK in the absence of any overarching theory of motivation for participation in university governance as observed in the literature. This typology could be used to classify the perceptions of the motivation of persons wanting to join a university governing body, or it could be utilised to empirically study the motives of people for wanting to participate in university governance.

There is evidence in the study to suggest that the criteria for appointment adopted by the nominations committees of the university governing bodies mostly gave preference to persons from business and professional backgrounds to the exclusion of people from other segments of the society. The recruitment practice thus appeared to favour the establishment of corporate elites on university governing bodies and seemed not to be consistent with the social inclusion policy of the English and Scottish governments.

In terms of the recruitment of lay governors, direct appointment and co-option were the two main approaches employed by the nominations committees of the seven university governing bodies and these were considered by the CUC (2004) governance guide as 'best practice'. The use of recruitment adverts in local and national newspapers to attract potential lay governors with the relevant and required resources for appointment onto university governing bodies was also common among the case study institutions. This was also found to be a new approach to lay recruitment in universities. In this study there

is evidence of the existence of a nominations committee in all the case study institutions which is also a new governance structure introduced into universities through its incorporation in the CUC (2004) governance guide as a result of the recommendations of Cadbury (1992) and Nolan (1996) to deal with openness and transparency in appointments in public institutions. The chairs of governors in this study were also found to dominate the recruitment process despite the presence of a nominations committee and this was found to be inconsistent with good recruitment practice entrenched in the Nolan (1996) principles of standards in public life.

In the literature on corporate governance, there is much uncertainty as to the various roles governing boards are expected to perform (Johnson, et al, 1996; Lorsch and MacIver, 1989; Zahra and Pearce, 1989; Hung, 1998). This is an area that was explored by Bargh et al in 1996 but requires further empirical studies in view of the governance reforms to ascertain the actual and present roles of university governing bodies in the UK in order to contribute to and advance knowledge in this particular aspect of governance of higher education institutions.

The data from the study showed that the majority of university governors perceived their governing bodies as corporate bodies that perform multiple governance roles which include accountability, strategy, monitoring, compliance and assessment roles while a few others also see recruitment, audit, risk governance, support, appeal and ambassadorial roles as key elements. The evidence from the study suggested that the accountability, strategy, compliance, assessment and risk governance roles were among the governance roles that were also given high premium in the reform of higher education governance and the modernisation of public institutions agenda of UK government in

order to ensure the effectiveness, efficiency and economy in the delivery of quality services by universities to their consumers, users and the public.

Another thorny issue in the literature of corporate boards of organisation is the separation of the governance roles of governing bodies from the management roles of the executive in order to avoid conflict and to ensure accountability at board and management levels. This issue has been little empirically investigated in both for profit and nonprofit organisations. Bargh et al (1996) did not also investigate the extent to which university governors were able to demarcate between their governance roles and those of the executive of the institutions. This study has contributed some knowledge in this aspect of the literature of higher education governance.

In terms of demarcating between governance and management roles, the evidence from this study appeared to indicate that the lay governors in their attempt to be proactive and active in performance of their roles as well as to contribute to the decisional processes of the institutions do stray into the area of management roles. Although they appeared to be able to distinguish between both roles some of the lay governors felt it was 'difficult to stand back' from engaging in some management roles in practice since their recruitment is based on the possession of certain skills and expertise that are required by the university. Moreover, the managerial roles they perform in their paid employment outside the university encouraged some to hold views about the overlapping of managerial and governance roles. If the governing body is engaged with managerial tasks, then the executive cannot be held accountable in any way for the performance of the institution. This is because the role of the governing bodies is to ensure the executives implement the strategic decisions of the universities and to hold them accountable for the

performance of the institutions. This also portends some potential for conflict between the governing body and the executive in the governance and management of universities and appeared to challenge the modern concept of lay governance and accountability in universities in the UK. This seems to suggest the need for a comprehensive induction programme for lay governors, which would enable them to distinguish clearly between governance and management in practice. The ex-officio members of the governing bodies, who are also members of the senior management team of the universities, appear to be able to clearly differentiate the boundaries between governance and management because they have a vested interest in so doing. It could also be as a result of the dual governance and management roles they perform in the university as well as their superior knowledge of the workings of an academic enterprise over their lay counterparts. The case studies did not show any particular institutional and country pattern in the perceptions of university governors concerning their governance roles as well as in the demarcation between governance and management roles.

10.2 Governance Processes

In the literature of board governance, one key role which researchers have identified and is being emphasised in both the theoretical and empirical literature is the strategy role of governing boards. Both the Jarratt Report (1985) and Dearing Report (1997) recommended that university governing bodies should proactively and actively get involved in determining the strategic direction and the strategies of their institutions. But the extents to which lay governors and their governing bodies are involved in the strategy process of their universities have hardly been investigated empirically. This situation is even more pronounced in UK universities as the only known study was conducted by

Bargh et al more than a decade ago. This study provides more empirical support and advanced knowledge in the area of the extent of participation of university governing bodies in the strategy process of their institutions as recommended by the higher education governance reforms in the UK.

The empirical evidence from my study appears to suggest that the university governing bodies in this study adopt two divergent approaches for engagement in the strategy process of their institutions. These are the proactive-active and the reactive-passive approaches to engagement in strategic decision-making. Two university governing bodies in England were found to adopt an executive-driven reactive-passive approach to strategy. The role of the governing body in this case was limited to approving the strategic decisions of the executive. This approach does not enable the majority of the lay governors to contribute to the debates about the strategic direction and the strategies of the institution. The governing bodies of these two institutions only react to the strategic proposal of the executive. However, the evidence from the study shows that the lay governors expressed a strong desire to participate fully in the strategy process since they possess the necessary human resource to do so.

The data indicated the presence of strategy committees dominated by executive and senate members with at most three lay governors in the two institutions that adopted the reactive-passive approach to strategy. These strategy committees were chaired by the vice chancellors of the institutions. The managerial hegemony perspective as discussed in Chapter 3 appears to dictate the approach to strategy in the reactive-passive system. This theory explains that the executive (management) leads the organisation in the strategy process to determine the strategic direction and strategies because they possess all the

relevant knowledge and information about the system than the governing body as to enable them to make strategic decisions. The role of the governing body would therefore be limited to reviewing and approving the strategic decisions of the executive in the strategy process. One implication for the university governing bodies adopting the reactive-passive approach to strategy in terms of governance is that they may not be in a position to direct and lead their universities as expected of them to accomplish their set purposes. The university governing bodies adopting the reactive-passive approach to strategy may have apparently delegated their organisational leadership role to the executive. Instead of the governing bodies leading the universities, it is the vice chancellors that have taken over this governance role and combined it with their operational responsibilities. Another implication of adopting this approach to strategy is that the vice chancellors would control the governing bodies because they have not stated their own expectations of what the executives should do or accomplish. In terms of monitoring, the governing bodies may not be able to monitor effectively strategic decisions they do not take part in making since the whole strategic thinking is undertaking by the executive. This appears to be the traditional approach to lay governance by university governing bodies in the UK which the various higher education governance reforms attempt to reverse. Bargh et al (1996) found this reactive approach to strategy among the university governing bodies they investigated more than a decade ago, but the university context in which governance is taking place has changed now and there is evidence in this study that some university governing bodies are becoming more proactive and active in strategy decision making.

The other approach to governance adopted by five university governing bodies in this study is the proactive-active approach to strategy. In this approach, all the lay governors have the opportunity to contribute to the strategic debates and decisions of the institution since strategy is a collaborative endeavour between the governing body, executive and senate. There are no strategy committees in these institutions. The stewardship theory perspective as discussed in Chapter 3 appears to influence the strategy process of these institutions. The theory explains that governing boards actively engage in the strategy process in collaboration with the executive and senate because they possess certain knowledge and expertise to develop strategy in support of the executive and to also enhance their stewardship of the organisation. Strategy would therefore be a collaborative activity between the board and the executive. For example, in this study, the five university governing bodies adopting this approach initiated the strategy process by convening a special meeting where all the governors, executives and some academics 'brainstorm strategy' together to arrive at the areas of strategic focus and direction of the universities. The implication of adopting a proactive-active approach to strategy is that these university governing bodies would appear to be strategically leading their universities by determining the future direction of the institutions. Universities exist for some purposes and the role of the governing body is to ensure their achievement. It is the responsibility of the university governing bodies as the ultimate decision-making bodies to determine and enforce the achievement of the purposes and the missions of the institutions. The Dearing Report (1997) specifically entrusted the responsibility of 'planning the future development' of the university on the governing body. This proactive-active approach to strategy provides the opportunity for the five university

governing bodies in this study to engage in this type of strategic leadership in directing the future of the institutions.

The evidence from the case study institutions appears to suggest that all the three Scottish university governing bodies adopt a proactive-active approach to strategy. The Scottish participatory and social democratic norms (Harrison, 1997; Patterson, 2003) appear to encourage the adoption of this approach to strategy by the lay governors and their governing bodies.

Generally, the evidence from this study seems to suggest that five of the university governing bodies are becoming more proactive and active in the performance of their strategic role in determining the strategic direction of their institutions. Even those that appear to be reactive-passive seems to possess the potential of becoming proactive in the future because their lay governors resented their reactive role in strategy. The proactive-active approach is particularly relevant in this regard if governing bodies are to play the leadership role expected of them. The proactive-active stance of five institutions investigated in this study could be as a result of their compliance with the reform initiatives that enjoined them to do so.

These findings about the participation of lay governors in strategy and the evidence from the literature on higher education governance appear to suggest that the strategy role is a new governance role that has permeated the activities of university governing bodies in this study. The recommendations of the Jarratt Report (1985) and the Dearing Report (1997) that university governing bodies should play an active role in strategy suggests strongly that they were not used to engaging in the strategy process of their institutions in the past. This proactive performance-oriented strategy role has been added to the

traditional compliance and monitoring roles of university governing bodies, which is also consistent with the new thinking in the literature of board governance. This implies that the university governing bodies adopting the proactive-active approach to strategy would now be in a position to play their expected leadership role in the institutions.

The literature on risk does not review any empirical study on the perceptions and governance of risk by members of university governing bodies in UK. At the time Bargh et al (1996) conducted their study, the discourse of risk had not made any appreciable presence in UK universities. Risk governance and management in UK universities is one aspect of the higher education reforms initiated by the New Labour government in the UK to ensure the efficient and effective use of funds allocated to the institutions to achieve its social, economic and political goals.

The evidence from this study appears to indicate that the realist and technocratic perspective of risk dominates the university governors' views about risk and their approach to risk governance in their universities. They appear to view risk as a phenomenon that exists in nature and which can be identified and its effect mitigated. Their views and approach to risk is not surprising considering the background characteristics of the lay governors where their operating business environment outside the universities favours a rational approach to dealing with risk.

The evidence also appears to suggest that the lay governors exhibit risk-averse behaviour in their attempt to maintain a 'no surprises' culture in the governance and management of risks in their institutions. Their risk-averse behaviour seems to be in conflict with their apparent risk-taking attitude in their places of primary employment outside the universities. Risk-taking is an important aspect of enterprise culture but the risk-averse

behaviour of the university governing bodies in this study appears not to be consistent with the attempt to institutionalise business practices in UK universities. This appears to be a paradox in the risk behaviour of the lay governors especially those from industry. One explanation for this might not be unconnected with the requirements of government for control and accountability, which appears to inhibit the risk-taking behaviour by public institutions (Newman, 2000). The governors that were interviewed also appear to have responded to the risk management framework recommended for use by their higher education funding councils, which seems to be averse to risk-taking too.

The evidence from the study also suggested that the types of risks identified by the governors as confronting the universities and which appear on the risk registers of the institutions were those they can easily detect and mitigate, whereas there are other risks facing the universities which cannot be identified. The evidence from the study also showed that the governing bodies do not govern risk directly but do so through the audit or other committees. The role of the risk governance committees is to ensure that the executive performs this function effectively and they also forward a report to the governing body. This appears to be one of the checks and balances put in place in universities to ensure the effectiveness of their control systems. It is advantageous to use an audit committee to govern risk since its activities cover both financial and non-financial aspects of the business of the universities and are therefore capable of identifying more risks associated with these areas.

The evidence from the case studies appears to indicate that while the governing bodies of universities in England use their audit committees to govern risk their counterparts in Scotland use other committees for the same purpose. In this study it was observed that

all the case study institutions utilise the risk management framework proposed by the Turnbull Report (1999) and as recommended by both the higher education funding councils for England and Scotland and the CUC (2004) governance guide. The risk framework is designed to ensure funds allocated to universities by the state are used efficiently to accomplish the government agenda and the purposes of the institutions without incurring losses. The risk management framework appears to be a government regulatory mechanism to ensure that no financial losses are incurred in the cause of utilising state funds allocated to the universities to accomplish stated purposes (Hood et al, 1999). It was also observe that the responsibility for risk management in these seven universities lies with the executive.

However, the university governing bodies do not assess the risks associated with their own governance activities but they appear to focus more attention on managerial risks. The assessment of the various risks linked to their governance roles and practices could help mitigate the potential for mis-governance. Such governance risks include the straying of lay governors into management roles, non-attendance of lay governors at every meeting of the governing body, lack of accountability of the governing body to any constituency, lack of knowledge of academic issues and the inability of the governing body to ensure every member participates in governance debates and decisions.

The managerial risks identified in this study from the perspective of the governors include shortfall in revenue, change in government policy, low international student recruitment, poor quality of human resources, breakdown in technology, reduced quality of courses, poor development of the estate, ineffective safety and security measures, inadequate implementation of strategic and business plans and poor reputation of the

institutions. But it is surprising that the governors did not mention research and the third mission activities as classes of risks that require the special attention of university governing bodies. It seems the challenges imposed on universities by their external operating environment have contributed to the new and increased risks confronting the institutions.

The evidence from the accounts of the governors in this study, the HEFCE (2005) risk framework and the lack of any theoretical and empirical literature on risk governance behaviours of university governing bodies seem to indicate that the whole practice of risk governance and management is a new phenomenon in the governance of higher education institutions in the UK aimed at ensuring the strategic risks of the institutions are identified and managed effectively to enable the universities to achieve their purposes.

10.3 University Governing Bodies: Accountable to Whom?

The evidence from the study showed university governors perceived multiple accountability roles for their governing bodies, but there exists an apparent lack of consensus within the ranks of the governors concerning the exact accountability of the governing bodies in the accountability process of the universities. It is this type of scenario that made Kogan et al (1984) conclude that governing bodies of educational establishment were uncertain and confused about their accountability. Three decades later this seems to still be the case.

There is little evidence from this study to suggest that stakeholder accountability is formally practised by the governing body as has been done in schools and in business corporations through the mechanism of annual general meetings where annual reports are presented to the stakeholders. Even in institutions in this study where university courts

exist, the governing bodies hardly present annual reports to these bodies. It is rather the vice chancellors that render accounts to their courts.

The evidence from the study showed that the authority, mechanism and the forum for university governing bodies to practise stakeholder accountability do not exist thereby resulting in a lack of 'dialogue of accountability' (Thomas and Martin, 1996) and a glaring 'accountability deficit' (Bargh et al, 1996; Aucoin and Heintzman, 2000; Hanberger, 2006) between them and the diverse stakeholders and the society at large they claim to represent. The self-perpetuating nature of the university governing bodies and the criteria for recruitment of lay governors appear to suggest that they are not democratic bodies and this may have accounted for the accountability deficit observed in lay university governance in this study. Even the composition and size of university governing bodies as presently constituted based on the provisions of the Education Reform Act 1988, the Jarratt Report (1985) and the Dearing Report (1997) limit to a large extent the participation of internal and external stakeholder groups in institutional governance and invariably does not support stakeholder accountability. The stakeholder theory of board corporate governance perspective does not appear to explain the accountability deficit of the university governing bodies in this study because the charters and statutes of universities as well as the structures and processes of these decision-making bodies do not support stakeholder accountability, despite their having numerous stakeholders.

The empirical evidence from this study appears to indicate that the role of the governing bodies in the accountability process of the universities is calling and holding the vice chancellors to account for the finances and the achievement of the strategic objectives of

the institutions based on the authority provided by the charters and statutes of institutions as well as in the Education Reform Act 1988. However, in schools, the legislation of the Education (Schools) Act 1992 provided for the accountability of the governing bodies to parents and the OFSTED inspectors (Farrell and Law, 1999).

The overwhelming evidence from the study appears to suggest that the university governing bodies in this study are not accountable bodies and are therefore not formally accountable in any way to any body despite the enormous responsibilities placed on them by government and their empowerment by the various higher education governance reform reports and the Education Reform Act 1988. The university governors and their governing bodies do not appear to reflect on their own accountability because the responsibility for the accountability of the university has been officially delegated to the vice chancellors.

10.4 Performance Review of Governing Bodies

Various corporate governance reforms in both the public and private sectors have emphasised the need for regular review of the effectiveness of performance of governing boards, their committees and the individual members of the governing board (Dearing, 1997; Higgs, 2002; Cadbury, 1992; CUC, 2004).

Holland, Chait and Taylor (1989) conducted an effectiveness study of trustees of governing boards of colleges and universities in the United States but there are no such empirical studies on university governing bodies in UK. This study therefore examined this issue in order to advance the literature on corporate governance in UK universities and possibly contribute to the development of a theory of the effectiveness of performance of university governing bodies.

The study identified various elements perceived by the university governors to contribute to the effectiveness of the governing bodies as the human resources (expertise and experience possessed by the individual governors), the development and improvement of the governors' capacity to govern, compliance of the governing body with governance codes and legal frameworks and the achievement of the approved strategic objectives of the institution. However, it appears most of the perceived elements of effectiveness are input and process issues that lead to the effectiveness of the governing body, whereas effectiveness is an output measure as well as a process issue. The element of achievement of strategic objectives of the institution appears to be the only outcome issue among the lot that can be described as a measure of effectiveness. Also the element of compliance with governance codes and frameworks is perceived by the university governors in this study to be one dimension of the effectiveness of university governing bodies that is regarded highly by the higher education funding councils and the CUC (2004) guide. All the elements of effectiveness perceived and experienced by the governors are consistent with those mentioned by various researchers in the literature on board governance. The evidence from the study showed that the governing bodies in this study appear to determine the effectiveness of their own performance based on their collective perceptions of what constitutes effectiveness of the bodies.

The evidence from the study also showed that all seven university governing bodies had reviewed the effectiveness of their governance practices using the CUC (2004) governance guide as the benchmark as well as the effectiveness of performance of their governing bodies at least once. This is in compliance with the recommendations of the CUC (2004) governance framework as well as an indication of their commitment to

improving their governance performance. The evidence from the case studies also showed that while the governing bodies of the Pre-1992 universities engaged the services of an external assessor to assist in the conduct of the review, their Post-1992 counterparts depended on specially appointed committees or the secretaries to the governing bodies for the purpose. But the use of independent external assessors for the review exercise could result in a fair assessment and less bias process.

The evidence from the study indicated that the review of the effectiveness of performance of individual governors and the standing committees is not a common practice among the university governing bodies as only one of these bodies has assessed the performance of its governors within the period of the study. This does not accord with the recommendation of the Dearing Report (1997) and the CUC (2004) that require governing bodies to review the performance of their governors in order to improve their governance effectiveness.

The study found a noticeable divergence of opinion among the respondents in this study as to whether the performance of individual members of the governing body should be assessed or not. This appears to be a controversial issue which could challenge the phenomenon of lay governance in universities in UK. I argue that the effectiveness of the performance of individual governors should not be assessed because governance is a corporate and collective activity.

However, the evidence from the study showed that performance reviews have gradually permeated the governance activities of university governing bodies in the UK. The management of performance such as this appears to be one of the organisational management practices of 'New Managerialism' which is a set of organisational practices

commonly found in the private sector of the economy adopted to manage public institutions under the reform initiative of government to management performances of organisations and individuals (Deem, 1998; Newman, 2001).

10.5 The Current Higher Education Governance System in England and Scotland

Starting from the mid-1980s, corporate governance was proposed for adoption by universities in the UK by various government-initiated higher education reform reports as the most appropriate governance model that could enable higher education institutions to cope with the pressures imposed by a dynamic social, economic and political environment. The academic-dominated collegial model of governance was perceived by government to be inadequate in overcoming these challenges as a result of cuts in the funding of universities as well as the expansion of the system.from elite to a mass higher education system (Bargh et al, 1996; Berdahl, 1990; Shattock, 1999).

The governance reforms in the higher education sector also mirror to a large extent new developments in corporate governance practices taking place in the private sector of the economy such as recommendations that governing boards should play an active role in strategy, engage in risk governance and review their effectiveness as well as the modernisation agenda of public institutions by the New Labour government, such as accountability, organisational efficiency and effectiveness, performance review and collaboration and value-for-money. University governing bodies are expected to initiate and institutionalise these governance reform practices in their various institutions. It is within these proposed governance reforms that university governing bodies are expected to be change agents (Bargh et al, 1996) and exhibit effective leadership which could alter the governance and management cultures of their institutions. Governors are also

expected to be proactive and active in exhibiting effective and accountable leadership in controlling and directing the affairs of their institutions to enable them to accomplish their role in society. But are university governing bodies as presently constituted (as a result of the Higher Education governance reforms) really reshaping the governance system of their institutions as proposed by the reforms? The answer to this question is presented below.

The evidence from the study and the review of the literature on university governance show that the governance roles and practices of university governing bodies have expanded as a result of the various higher education governance reforms and developments in corporate governance in the private sector and the modernising of public institutions programme of government. The adoption of governance practices prescribed in the CUC (2004) governance framework derived from those in the UK Combined Code on Corporate Governance and the regulatory mechanisms put in place for their compliance by government through the higher education funding councils have enabled these reforms initiatives to be implemented by the university governing bodies.

It appears certain governance practices associated with business organisations such as strategy, performance review and risk governance that were hitherto unknown governance roles and practices in UK universities are some of the new practices which have infiltrated the governance landscape of the seven universities in this study. The seeming institutionalisation of these practices may have been brought about by the presence of lay governors recruited from industry and business, with experience in corporate governance and management issues, in the seven university governing bodies.

These are persons who are familiar and engaged with these business practices daily in their paid employment in the private sector.

The active participation of these lay governors in the strategic debates and decisions of the institutions seems to have made most of the governing bodies in this study become proactive in institutional governance and has also enhanced their leadership capacity as the ultimate decision-making bodies in the universities. The active participation of the university governing bodies in strategy also appears to spur the executives of the institutions into thinking more strategically and encouraging them to engage in strategic planning activities, since they now have governing bodies that watch over their managerial activities.

Empirical evidence from this study also indicated that the previous reactive (Bargh et al, 1996) and passive (Shattock, 2003; Bennett, 2002) role of university governing bodies in strategic decision-making processes of universities identified in the literature may be changing to a more proactive and active role in the institutions in this study. In the performance of their governance activities, the university governors bring external perspectives to bear on various strategic debates and decisions especially in the non-academic areas of their universities, such as finance, audit, personnel, estate, business management and entrepreneurship. There is, however, no evidence from this study to suggest that the lay governors have brought these business practices to bear on the core academic activities of teaching, learning and research activities of the institutions or even on the strategies for implementing these activities, since these have been delegated to the academic senates (boards) of the institutions. However, it seems the governing bodies can

take decisions on the financial aspects of these programmes since they fall within the area of their decision-making.

The evidence from the study also showed that the lay governors appear to lack adequate knowledge of a higher education sector they are expected to govern effectively and there is also indication of the presence of a glaring information asymmetry between them and the executives of the institutions. These appear to have resulted in the lay governors engaging in collaborative governance relationships with the executive and the academic boards in areas such as strategy in five of the seven institutions in this study, despite the statutory separation of the roles and responsibilities of these decision-making bodies. Also in two of the Post-1992 universities in this study, the academic boards have allowed the lay governors to attend their meetings as observers in order to strengthen this collaborative endeavour.

There is enough evidence from this study to suggest that many aspects of the proposed higher education governance reforms in England and Scotland have been implemented and the governance approach adopted by the institutional governing bodies seemed to be a corporate style of governance in the case study universities as a result of the higher education governance reforms proposed by the Jarratt Report in 1985 and the Education Reform Act 1988. The business background of the majority of the lay governors on the university governing bodies in this study, who serve as the governance change agents (Bargh et al (1996), appears to have enabled them to facilitate the entrenchment of a corporate culture of governance which is prevalent in the private sector as recommended and legislated by the various reform reports and Acts of Parliament respectively. The evidence from the study showed that although the institutional and the country case study

universities adopt a common governance framework as recommended by the CUC (2004), they appear to exhibit some local differences in practice in some areas of governance. This difference could be attributed to the peculiar contextual characteristics and histories of the establishment of the individual universities.

The literature on higher education governance did not show that this was how university governing bodies in the UK operated in the past. Prior to the higher education governance reform initiatives, lay governors were not appointed based on the possession of any particular professional qualifications, skills, expert knowledge or experience in any field of human endeavour. But the governance reform has brought about a re-definition of the meaning of lay governors and lay governance in universities in the UK. The Jarratt Report (1985) seems not to have had an immediate effect on the governance of universities as evident in the study conducted by Bargh et al (1996) because its recommendations were slow in implementation as a result of the initial resistance by the universities. But after about 20 years, the evidence in this study strongly suggests that a lot of the Jarratt (1985) recommendations are now being implemented by the universities in this study. Based on the literature on collegial governance in universities and the evidence in this study it appears a lot of the cultural emphasis of the institutions has massively shifted from the collegial to corporate culture of governance and management. However, this study was unable to determine exactly when the shift took place. Some of the implications of this shift in governance culture would be less participation of academics in key decisions of their institutions and the overwhelming presence of 'business governors' on university governing bodies, who may not really understand the academic side of the higher education corporation. The corporate culture of governance

and management adopted by the universities could also lead to more commercialisation efforts in the universities but which may distract attention from the core academic business of the institutions and even compromise academic values. But basically the proactive strategy and risk governance practices of the university governing bodies in this study would enable the institutions to focus on the future direction of the universities and to ensure and assure the accomplishment of the purpose of the institutions. However, despite the adoption of corporate governance practices by the university governing bodies in this study, they appear to be unaccountable and risk-averse bodies, much unlike their counterpart boards in business and industry that are accountable to their stakeholders and also risk-taking.

10.6 The Role of Theory in University Governance

In the literature of governance, there is a noticeable absence of an overarching theory of university governance to explain and understand the activities of university governing bodies. In this study, an attempt was made to adopt a multi-theoretic framework to explain and interpret the various governance roles and practices of the seven university governing bodies. The evidence from this study indicates that no single theory seemed capable of describing and explaining all the governance roles and practices of these governing bodies as each theory focuses and illuminates only a particular dimension of governance. University governance is a complex practice as evident in the multiple and sometimes conflicting goals which the institutions attempt to accomplish at the same time. For example, university governing bodies are required to determine the strategic directions of their institutions yet government would want to impose some of its programmes on them. They are required to maintain high quality education in a mass

higher education system within a constrained funding base. This complexity makes it difficult for one particular theory to explain the various governance activities of university governing bodies. The role of each of the theories adopted in this study in explaining various aspects of university governance is presented below.

In this study, the agency theory was used to explain the accountability relationship between universities and the higher education funding councils on one hand and the governing body and the executive on the other. The higher education funding councils (as principals in this case) hold the universities to account for the use of the monies allocated to them for specific purposes. Without this holding to account by the funding councils, the universities could use the monies to pursue their own special interests to the exclusion of the purpose for which the monies were allocated to the institutions by government. The regulation of the higher education sector by government and the higher education funding councils seem to account for the dominance of the agency theory perspective in terms of the accountability relationship between the universities and the funding councils and also between the governing body and the executive of the institutions. The agency theory perspective is about the governing body ensuring the compliance of the executive with the wishes and interests of government and the strategic goals of their institutions. But agency theory may not be able to explain the need for collaboration between the governing bodies and the executives during the strategy process of the universities which the stewardship theory expounds.

The stewardship theory assumes that the lay governors on the governing bodies of these universities are a resource themselves because of their expertise, skills and knowledge in managerial practices, which they could deploy to 'add value' to the strategic decisions

and processes of the institutions. The operation of this perspective was most visible in the proactive-active approach to strategy adopted by most of the university governing bodies in this study where their strategy role was to collaboratively determine the strategic direction and the strategies of the universities with the executive and the senate. They work collaboratively with the management to guide the university in accomplishing its purpose. They were also able to use their knowledge and experience of corporate practices to effect the desired changes in the governance and management practices of their universities as evident in the various governance reform areas examined in this study. The theory assumes that both the governing body and the executive work together to achieve the purpose of the university.

The stakeholder theory perspective assumes that the different stakeholder groups of an organisation would be represented on its governing board so that their varied interests would be taken into consideration during governance decision-making and for the governing body to be accountable to the stakeholders. But this theory was found to be inapplicable to most of the university governing bodies in this study because of the Education Reform Act 1988, the Jarratt (1985) and the Dearing (1997) reports legislated and recommended limited representation of stakeholders of these governance bodies. This has created the accountability deficit observed among the governing bodies in this study.

In the managerial hegemony theory, it is management that controls the organisation through the determination of the strategic direction and strategies of the institutions. The role of the board is limited to reviewing and approving the strategic decisions of the executive. The managerial hegemony theory perspective was used to explain and

interpret the dominance of the executive and the limited role of the governing body in the reactive-passive approach to strategy adopted by two of the institutions in this study. In the reactive-passive approach to strategy, it is the executive that initiates the strategy process, determines the strategic direction and the strategies of the institutions as well as implementing them to achieve the purpose of the institutions. The role of the governing bodies was confined to taking strategic decisions by approving the strategic proposals of the executive. The role of the governing bodies in this perspective is to legitimise the decisions and actions of the executive (Cornforth, 2003). Neither the stewardship theory nor the agency theory can explain the reactive-passive approach to strategy.

The class hegemony theory perspective was used to explain the recruitment of corporate elites and professionals and their majority presence on university governing bodies to the exclusion of persons from other segments of the society in a mass higher education system that values social inclusion which appears to be a paradox. This theory posits that elites attempt to install and propagate themselves in key positions in government and organisations in order to take control of these institutions through various recruitment practices that exclude persons from lower segments of society (Adam and Tomsic, 2002; Sample, 2006; Spengler, 1944).

In terms of governing the risks of the universities, the technocratic perspective based on the realist view was used to explain the particular way the governing bodies direct the executive to ensure that the strategic risks of the universities are identified, assessed and managed effectively. The realist perspective views risk as an objective reality that exists and which needs to be identified and assessed to ascertain its severity on the organisation and to mitigate its effect (Bradbury, 1989; Beck, 1999; Lupton, 1999; Stahl et al, 2003;

Zinn, 2006). It adopts a rational means of assessing risks in an organisation. For example, in the risk registers presented to the governing bodies of some of the universities in this study, the identified risks were calculated and classified as high, medium and low risk. The realist and technocratic perspective of risk was used to explain the approach to risk governance adopted by the university governing bodies in this study.

The university governing bodies were found to have adopted the risk management framework recommended by the higher education funding councils to guide the risk governance and management practices in UK universities. The risk framework put in place by the funding councils and recommended for adoption by the universities is viewed as a set of practices or strategy directed at ensuring that the funds allocated to the institutions are used efficiently to achieve some purposes without incurring losses. This appears to be one explanation for the risk-averse attitude of the seven university governing bodies in this study which is perceived as rational behaviour by the governors.

This study has offered comprehensive analyses of how the existing organisational theories can explain in piecemeal the governance activities of the seven governing bodies in this study. The evidence from the study reveals that the empirical study and practice of university governance requires a multi-theoretic approach to illuminate and explain various aspects of governance roles and practices of the university governing bodies in this study. There was no overarching organisational theory that could explain the whole of the governance role and activities of the university governing bodies in this study. The reason for this could be that the universities operate in a different context from other organisations such as schools and business. There are certain distinctive and unique aspects that are peculiar to universities that are not necessarily found in other types of

organisations that could limit the applicability of the theories in these institutions. Such things include research, research assessment, international market for staff and students, academic governance, fund-raising activities, etc. However, the agency theory, stewardship theory, managerial hegemony theory, class hegemony theory and the realist perspective of risk theory were found to be most useful in explaining and interpreting some aspects of the governance roles and practices of the seven university governing bodies in this study.

As stated in the previous section, the study also provided an opportunity to develop some tentative theories of motivation for participation in university governance and theory of effectiveness of performance of university governing bodies. The efficacy of these theories could be tested to further empirically examine the motivation and effectiveness of university governing bodies in the UK.

10.7 Methodological Limitations

In a study as this, it should be expected that there would be some methodological challenges in conducting a comparative multiple case study research of a phenomenon as complex as university governance in England and Scotland. The complexity is even made more pronounced given that each of the seven institutions has their own peculiar contextual characteristics, which make comparisons among the case study institutions more difficult.

One of the problems of conducting a study examining the perceptions people have about their practice through semi-structured interviews is that their perceptions may not necessarily translate into what they actually do. Due to the limited time and resources available for the study, only one meeting of each of the five governing bodies that

granted access was observed. The number of observations made may not be enough to make significant claims about the interpretations of some of the data. I did not have the opportunity to observe the strategy committee or the special strategy meetings conveyed by the governing bodies to discuss strategy since such meetings did not take place within the period of the field studies. This could limit the extent to which claims can be made about the extent of lay participation as well as the types of contributions they make to strategic debates of the institutions. Whatever claims that were made in this regard could be regarded as tentative.

It is also worth mentioning that a few of the study participants did not respond to some of the questions, especially when they did not feel comfortable about them. For example, only 19 governors responded to questions on the issue of motivation. They would rather prefer to talk about other issues. Also time constraints did not enable me to explore this aspect with some respondents. All these factors could constitute a limitation on the conclusions that can be drawn from such data.

Some key participants in the governance of universities which were not interviewed were the vice chancellors who could have given more insight and alternative perspective to the activities of their governing bodies. However, it was felt that it would be difficult to gain access to the vice chancellors in the time available for the fieldwork.

With the benefit of hindsight, a questionnaire survey distributed to the participants to collect some information on the activities of the governing bodies could have illuminated and strengthened some of the conclusions reached in this study, especially those that border on the question of the effectiveness of the governing bodies.

However, this study is not without its strengths. For instance, most research on governing boards of organisations had been conducted based on questionnaire survey and interviews but in this study I was able to observe some of the meetings of the university governing bodies in order to gain a greater insight into how they actually perform some of their governance activities. Gaining access to observe board meetings is a rarity in university governance research. Also related to this is the issue of the difficulty experienced by researchers in gaining access to interview corporate elites such as members of boards of organisations as discussed in Chapter 5. This difficulty appears to be responsible for the paucity of empirical research on the activities of university governing bodies in the UK, despite all the governance reforms that had taken place in the system. But in this study, that barrier was broken and this is the first empirical study after more than a decade of reforms without any studies being conducted in this area.

10.8 Recommendations

Based on the findings of this study, the following recommendations that could improve the practice of university governance are made:

1. **Representation:** Although it appears the universities in this study operate a corporate style of governance which limits the participation of staff (academic and non-academic) in governance, there could still be provision for more academic representation on the governing bodies of these institutions in view of the peculiar nature of academic governance, where most of the lay governors have limited knowledge of academic business of the university. This recommendation if implemented could strengthen the collaboration between the governing body and the senate in governance.

2. **Strategic Leadership:** In order to enable the governing body to perform its strategic role of leading the university to achieve its purpose, all university governing bodies could adopt a proactive-active approach to strategy which would ensure every member is given an opportunity to participate in the strategy process and contribute to the strategic debates and decisions of the institutions in order to direct the future of their institutions.
3. **Accountability:** As the leaders of a public institution, university governing bodies cannot afford to abdicate their accountability responsibility to the stakeholders of the institutions. In order to make them accountable as corporate leaders, universities should establish a stakeholder forum (like the university courts in the Pre-1992 institutions) where the chair of governors and the vice chancellor could formally and jointly account to the stakeholders for the performance of the institutions. The chair of governors could give a summary of the annual report while the vice chancellor should present the details of the performance of the university including the statement of account to the stakeholders at an annual meeting. Institutions that operate university courts could use that as their stakeholder forum.
4. **Theory Development:** Since there is presently no single corporate governance theory that can explain all aspects of the governance activities of university governing bodies, researchers should make efforts to rethink some kind of theoretical frameworks that could explain university governance fully.

10.9 Area of Further Research

There are certain aspects of the governance roles and practices of university governing bodies that were either not covered at all or the coverage was inadequate in this study, which could be examined in the future.

Firstly, it was not possible to examine the whole governance role set as perceived by the respondents in this study. Those not examined include the compliance, audit, monitoring and external relations roles. These roles could be explored in the future. A comparative study of the views of the lay governors vis-à-vis those of the vice chancellors should be sought in respect of the performance of these roles by the university governing bodies.

Secondly, more empirical studies needed to be conducted in the area of the strategy role of university governing bodies by observing the extent of lay governors' involvement and what kinds of contributions they make to the strategic debates of the institutions during special strategy meetings or the meetings of strategy committees.

Thirdly, research could also be conducted to examine the committee structure of university governing bodies and the extent of lay participation and contribution to the deliberations and decisions of these committees.

In summary, this chapter presented some strong evidence that the seven university governing bodies have adopted a corporate approach to governance in order to strategically direct their institutions within an effective risk governance and management framework in order to accomplish their purposes. In adopting a corporate approach to governance, new governance and management practices that were hitherto unknown to higher education institutions have been introduced into the governance landscape of the institutions. I have also made some recommendations that could improve the practice of

university governance as well as some areas for further research with regards to higher education governance.

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APPENDIX A: PROFILE OF UNIVERSITY GOVERNORS

S/N	Name of Governor	University	Sex	Membership Status (Years on Gov. Body)	Professional/ Occupational Status	Working Status
1	Mrs. Carlton	Gangeshire, Scotland Post-92	F	Lay Gov (4 yrs)	Law/Health Snr. staff	Active
2	Mr. Maclaren	Gangeshire, Scotland Post-92	M	Lay Gov (6yrs)	Accountant NED	Rtrd
3	Mr. Charles	Gangeshire, Scotland Post-92	M	Chair (1yr)	Engr./Market/ CEO/NED	Active
4	Mr. Lagerfield	Gangeshire, Scotland Post-92	M	Lay Gov (7yrs)	Acct/Mgt Con/ CEO/Chair	Active
5	Bloomfield	St. Pancras, Scotland Post-92	M	Lay Gov (3yrs	Ed.Adm./Snr Manager	Active
6	Prof. Roberts	St. Pancras, Scotland Post-92	M	Chair (5yrs)	Engr. /Bus/ CEO/Chair	Active
7	Prof. George	St. Pancras, Scotland Post-92	M	Senate Rep (3yrs)	Prof. of Fin/ Acct	Active
8	Mr. Richards	St. Pancras, Scotland Post-92	M	Staff Rep (3yrs)	Economics Bus Exec	Active
9	Mrs Keith	St. Pancras, Scotland Post-92	F	Senate Rep (18 months)	Acad Staff	Active
10	Dr. Miller	Stokefield, Scotland Pre-92	F	Chair (7yrs)	Solicitor/ CEO	Active
11	Mr. Silberston	Stokefield, Scotland Pre-92	M	Lay Gov (8yrs)	Engr., MD	Active
12	Prof. Kenneth	Stokefield, Scotland Pre-92	M	Senate Rep(3yrs)	D/Prin/ Prof. of English	Active
13	Mr. Fratton	Ashgrove, England Post-92	M	Lay Gov (7yrs)	Acct/ Fin. Dir.	Active
14	Mr. Matthew	Ashgrove, England Post-92	M	Lay Gov (4yrs)	Univ. Admin. MD	Active
15	Mr. Francis	Ashgrove, England Post-92	M	Lay Gov (8yrs)	MD	Active
16	Mr. Lander	Liberty Trust, England Post-92	M	Lay Gov (6yrs)	Market/Comm .CEO	Active
17	Mr. Barry	Liberty Trust, England Post-92	M	Chair (1yr)	Bus/ Acct, CEO, Intl Exp.	Active
18	Mr. Atkinson	Liberty Trust, England Post-92	M	Staff Rep (2yrs)	Bus. Admin	Active
19	Mrs Thomas	Waterloo, England Pre-92	F	Lay Gov/ Rep. of Univ Court (6yrs)	Pers Mgt/ Chair of Schl GB. Voluntary work exp.	Rtrd
20	Dr. Blade	Waterloo, England Pre-92	M	Lay Gov (10yrs)	Solicitor, LLB MD	Active
21	Mr. David	Waterloo, England Pre-92	M	Lay Gov (3yrs)	Engr/ Fin.Manager	Active

22	Mr. Carrington	Waterloo, England Pre-92	M	Chair (4yrs)	Univ. Prof./Chart'd Acct/ MD, Dir. of Plcs. NED of 3 Plcs. Chair of Govt parastals.	Acti-ve
23	Mr. Lawrence	West Albion, England Pre-92	M	Chair (4yrs)	CEO/IT Cons, Chair of 2 Plc, Lay gov. in 3 schls. Member CUC	Rtrd
24	Mr. Tyler	West Albion, England Pre-92	M	Lay Gov (2yrs)	Former Snr. Public Servant	Rtrd
25	Prof. Joseph	West Albion, England Pre-92	M	Pro-VC (6yrs)	Pro-VC/Prof of Maths	Acti-ve
26	Prof. Simpson	West Albion, England Pre-92	M	Senate Rep (1yr)	Prof. of Physics/ Dean of Faculty	Acti-ve
27	Prof. Mrs. Kay	West Albion, England Pre-92	F	Pro-VC (2yrs)	Prof. of Accounting	Acti-ve

APPENDIX B: Number of Motivations of University Governors

S/ N	Name of Governor	University	Sex	Membership Status/Years	Professional/ Occupational Status	No. of Motv
1	Mrs. Carlton	Gangeshire, Scotland, Post-92	F	Lay Gov (4)	Law/Health	4
2	Mr. Maclaren	Gangeshire, Scotland, Post-92	M	Lay Gov (6)	Accountant	4
3	Mr. Charles	Gangeshire, Scotland, post-92	M	Chair (1)	Engr./Market/ CEO/NED	3
4	Mr. Lagerfield	Gangeshire, Scotland, post-92	M	Lay Gov (7)	Acct/Mgt Con/ CEO	2
5	Bloomfield	St. Pancras, Scotland, post-92	M	Lay Gov (3)	Ed.Adm./CEO /MD	4
6	Prof. Roberts	St. Pancras, Scotland, post-92	M	Chair (5)	Engr. /Bus/ MD, Visiting Univ Prof.	3
7	Prof George	St. Pancras, Scotland, post-92	M	Senate Rep	Prof. of Fin/ Acct	1
8	Mrs Keith	St. Pancras, Scotland, post-92	F	Senate Rep (2)		1
9	Dr. Miller	Stokefield, Scotland, Pre-92	F	Chair (7)	Solicitor/ CEO	2
10	Mr. Silberston	Stokefield, Scotland, Pre-92	M	Lay Gov (8)	Engr.	2
11	Prof. Kenneth	Stokefield, Scotland, Pre-92	M	Senate Rep(3)	D/Prin/ Prof. of English	1
12	Mr. Fratton	Ashgrove, England, post-92	M	Lay Gov (7)	Acct/·Fin. Dir.	1
13	Mr. Matthew	Ashgrove, England, post-92	M	Lay Gov (4)	Univ. Admin.	3
14	Mr. Francis	Ashgrove, England, Post-92	M	Lay Gov (8)	MD	1
15	Mr. Lander	Liberty Trust, EnglandPost-92	M	Lay Gov (6)		4
16	Mr. Barry	Liberty Trust, EnglandPost-92	M	Chair (1)	Bus/ Acct, CEO, Intl Exp.	4
17	Mrs Thomas	Waterloo, England, Pre-92	F	Lay Gov/ Rep. of Univ Court (6)	Pers Mgt/ Chair, Schl GB. Voluntary work exp.	4
18	Dr. Blade	Waterloo, England, Pre-92	M	Lay Gov (10)	Solicitor	2
19	Mr. David	Waterloo, England, Pre-92	M	Lay Gov	Engr/ Fin.Mgt,.	1
20	Mr. Carrington	Waterloo, England, Pre-92	M	Chair (4)	Univ. Prof./Chartd Acct/ CEO,Dir of Plcs. NED of 3 Plcs. Chair of Govt para.	3
21	Mr. Lawrence	West Albion, England, Pre-92	M	Chair (4)	CEO/IT Cons, Chair of 2 Plc, Lay gov. in 3 schls. Member CUC	2

22	Mr. Tyler	West Albion, England, Pre-92	M	Lay Gov (2)	Former DfES Dir, Member, HEFCE Board	3
23	Prof. Joseph	West Albion, England, Pre-92	M	Ex-officio (6)	Pro-VC/Prof of Maths	2
24	Prof. Simpson	West Albion, England, Pre-92	M	Senate Rep (1)	Prof. of Physics/ Dean of Faculty	3

APPENDIX C: RESEARCH INTERVIEW GUIDE

PRESENT ROLE/EXPERIENCE AS GOVERNOR

- When were you first appointed into the governing body of this university?
- How did you become a governor in this university?
- What were your motivations for wanting to serve as a university governor?
- Are you on any of the sub-committees of this governing body? If so which ones? Why were you appointed to these committees?
- How have you found the experience of being a governor in this university? Is it different from what you expected?
- Have you been a governor or board member in any other educational establishment/organisation? In what capacity did you serve there (Chair/Chair of committee/ member)
- Tell me a little bit about your background.

GOVERNORS ROLES AND FUNCTIONS

- What do you think are the main governance roles of governors are in this university?
- In your view what are the main activities or functions undertaken by the governing body of this university.
- Which particular ones do you perceive as being the most important?
- What do you think are the major current issues for UK universities from your point of view?

POLICY MATTERS

- Can you mention some government higher education policies that have significantly affected the governance structures and activities of this governing body?
- What sense can you make of such policies and their effects?
- What was the procedure adopted for formulating these policies?
- Has the governing body recently needed to review any existing policies? If so can you give an example? Why was the policy reviewed? What has come of the review?

- How are new government policies and directives handled by the governing body?
- How are new government policies and directives discussed and implemented by the governing body?

DECISION-MAKING

- What is the procedure for putting issues for discussion on the agenda of your meetings?
- How is decision making carried out by the governing body? Is the consensus of members of governing body sought before decisions are made? How is the consensus sought? Why is consensus sought?
- What kind of issues do you discuss at the formal meetings of the governing body and why do you think these issues are important?
- How do you as a governing body gather information that enables you to make good decisions?
- How would you react to the view that university governing bodies act as "rubber stamp" for the decisions of management and committees?

STRATEGY AND FINANCE

- What role do the governing body play in the strategy process of the university?
- To what extent are lay governors involved in the strategy process of the university?
- Why is it necessary to have strategies for this university?
- What do the governing body do with the strategic plan?
- How would you as a governing body know that the strategic objectives are being achieved?
- What role does the governing body play in the budgeting process?
- Has the governing body offered any suggestions for fund-raising recently? If so can you tell me about it?

ACCOUNTABILITY

- To whom is the governing body accountable? Why do you think so?
- How do you relate with the different stakeholders of the university? Who are these stakeholders?
- To whom is the academic senate / board accountable? Why do you think so?

- How do you ensure accountability in the system?

RISK GOVERNANCE

- What is your perception about risk in the university?
- Do you as a governing body engage in risk governance? If so, what are some of the risk that confronts the university?
- Why are these risks important?
- Do you also assess the risks associated with your governance activities apart from those of the institution?

RECRUITMENT AND COMPOSITION OF GOVERNING BODY

- How do you as a governing body recruit new members?
- Do you know of a better way members can be recruited?
- What attributes and competences do you look out for in potential lay governors during recruitment that would enable them perform their governance roles effectively?
- Are there any skills, knowledge and experience you think are lacking in your governing body? If any, how would that affect the performance of the governing body?
- How do you as a governing body maximise the use of skills, knowledge and experiences of lay governors?

PERFORMANCE REVIEW

- How do you ensure the effectiveness of your governance practice?
- How do you assess the effectiveness of the performance of the governing body, the committees and the individual lay governors?
- Are there other means of evaluating this effectiveness?
- What achievements of the university are attributed to the activities of the governing body?
- What do you think can make the governing body to be effective?
- Are you aware of the CUC governance framework document? If so, what are your views on it?
- Which aspect of the framework document would you want amended in view of your experience as a governor?

RELATIONSHIP WITH VICE CHANCELLOR/EXECUTIVE

- What role does the vice chancellor play in the governing body?
- Do you think there is any conflict or disagreement between the governing body and the vice chancellor concerning their respective roles? If so what is the source of this? Is it resolvable? What role does the Vice Chancellor/Principal play in the governing body?
- How would you describe the relationship between the governing body and the current Vice Chancellor/Principal? Why do you think so? Is it a trusting relationship? Why do you think so?
- In what ways do you as a governing body support the vice chancellor?
- How have you been able to differentiate between the governance roles of the governing body and the management roles of the vice chancellor?

GOVERNING BODY RELATIONSHIP

- How would you describe the relationship between the governing body and the academic senate/board of the university?
- Why do think so?
- What is the relationship between the governing body and the university court? Are there any conflict between the present role of the governing body and that of court? If so, how can it be resolved?
- How does the university governing body monitor and react to significant external trends that have consequences for the university?
- Can you give any recent examples?
- Have you as a body discussed the issue of linkage/co-operation between this university and industry/business? If so, what was the outcome?
- Are there ways that these linkages /co-operations could be improved?

GOVERNORS' TRAINING AND DEVELOPMENT

- How is training and development of the governing body carried out? Is this necessary for the individual members and the body as a whole? If so, why?
- What kinds of training and development issues are you are you exposed to?
- How do you identify the training and development needs of the governing body?
- How do you determine what constitutes good governance practice?

BACKGROUND INFORMATION: Name, gender, age, occupation, highest educational qualification, ethnicity, etc. (Information will be obtained using a mini questionnaire).

APPENDIX D: THEMATIC FRAMEWORK

1. **Theme**: Recruitment **(REC)**

Sub-Themes: Appointments/Recruitments **(APR),** Recruitment Role **(RCR),** Recruitment through Interview **(RTI),** Recruitment through Co-optation **(RTC),** Recruitment through Apprenticeship **(RTA)**

2. **Theme:** Motivation **(MOT)**

Sub-Themes: Advancing Previous Relationship **(APR),** Development of Community **(DCM),** Development of Governing Body **(DGB),** Development of University **(DUV),** Group Representation **(GRR),** Job Responsibility **(JRP),** Perceived Motivation **(PMT),** Personal Benefit **(PBF),** Developing Corporate Governance **(DCG),** Efficacy **(EFF),** Altruism **(ALT)**

3. **Theme:** Monitoring

Sub-Themes: Monitoring Role **(MNR),** Assurance Role **(AAR),** Implementation of Decisions **(IMP),** Monitoring Using Committees **(MUC),** Monitoring Using Executive **(MUE),** Monitoring Using KPIs **(MUK),** Monitoring Using Balance Scorecard **(MBS),** Monitoring Using Minutes of Meeting **(MMM),** Monitoring Executive Actions **(MEA)**

4. **Theme**: Strategy

Sub-Themes: Achievement of Strategic Objectives **(ASO),** Active-Proactive Approach to Strategy **(APS),** Executive Determination of Strategy **(EDS),** Formulation of Strategy **(FOS),** Implementation of Strategy **(IOS),** Initiate Strategic Direction **(ISD)** Participation in Strategy **(PIR),** Passive-Reactive Approach to Strategy **(PRS),** Shaping Conduct of Strategy **(SDS),** Shaping Content of Strategy **(STS),** Shaping Context of Strategy **(SCS),** Shaping Strategic Decision **(SSD),** Strategic Planning **(SPL),** Strategy Committee

(SCM), Strategy Role **(STR)**, Taking Strategic Decision **(TSD)**, Support Role **(SUR)**, Policy **(POL)**, Collective Determination of Strategy **(CDS)**, Finance **(FIN)**, Special Strategy Meeting **(SSM)**

5. **Theme:** Accountability **(ACC)**

Sub-Theme: Accountability Role **(ACR)**, Accountable to Funding Bodies **(AFB)**, Accountable to Public **(ATP)**, Accountable to Government **(ATG)**, Accountable to Self **(ATS)**, Accountable to Stakeholders **(ASH)**, Executive Accountability **(EXA)**, Held Accountable **(HAC)**, Mechanism of Accountability **(MAC)**, Held Accountable **(HAC)**, Accountability Sanction **(ACS)**, Accountable to Students **(AST)**, Accountable to Staff **(ASF)**, Held Accountable for Good Governance **(HAG)**, Held Accountable for Finance **(HAF)**, Held Accountable by Funding Council **(HFC)**, Element of Account – Finance **(EAF)**, Element of Account – Governance **(EAG)**.

6. **Theme:** Risk Governance **(RKG)**

Sub-Themes: Involvement in Risk identification **(IRI)**, Life as Risk **(LAR)**, Linking Risk with Strategy **(LRS)**, Risk Averse Behaviour **(RAB)**, Review Effectiveness of Risk Management **(RRM)**,Risk Control **(RCT)**, , Risk Governance Role **(RGR)**, Risk Management Strategy **(RMS)**, Risk Monitoring **(RM)**, Role in Risk Governance **(RRG)**, Technical Approach to Risk **(TAR)**, Types of Risk **(TOR)**, Risk Profile **(RPF)**, Lay Risk Perception **(LRP)**

7. **Theme:** Performance Review

Sub-Themes: Assessment Role **(ASR)**, Compliance with Governance Codes **(CGC)**, Conduct of Effectiveness Review **(CER)**, Elements of Governance Effectiveness **(EGE)**, Governance Role Performance **(GRP)**, Performance Evaluation **(PEV)**, Self-Assessment

Questionnaire **(SAQ),** Assessment by Nominations Committee **(ANC),** Effectiveness linked with Strategic Objectives **(ESO),** Effectiveness linked with Human Capital **(EHC),** Effectiveness linked with Governors Education **(EGE),** Review of Governors Performance **(RGP),** Review of Committee Performance **(RCP)**

8. **Theme:** Governors Education **(GED)**

Sub-Themes: Training/Development **(TDV),** Knowledge, Skills Expertise **(KSE),** Induction **(IND),** Special Briefing Session **(SBS),**

9. **Theme:** Governing Body Relationship

Sub-Themes: Ambassadorial Role **(AMR),** Appeal Role **(APP),** Role Conflict **(RCF),** Governance Relationships **(GRL),** Relationship with Senate **(RWS),** Relationship with Executive **(RWE),** Relationship with Stakeholders **(RSH)**

10. **Theme:** Management Role

Sub-Themes: Separation of Governance and Management Roles **(GMR),** Implementation of Decisions **(IDC),** Accountable to Governing Body **(AGB),** Making Strategic Proposals **(MSP),** Accountable to Funding Bodies **(AFB),** Development of Strategies **(DOS),** Managing Institutional Risks **(MIR)**

APPENDIX E: SAMPLE CODING OF ACCOUNTABILITY DATA FOR UNIVERSITY OF WATERLOO, ENGLAND (PRE-1992) - LOOE

INT: Is the governing body accountable in any way, if so how?

Mr. Carrington (Chair) - LOOE 1 CHA:

In some senses you see the best answer you can give is the community, the public, the country and it's because you're not necessarily reporting to anyone else. You don't have shareholders the way you do in a public company. Of course to some extent the higher education funding council is acting for the community and if you were to overspend, if your financial controls were unsatisfactory you would be answerable....you would have to answer to the higher education funding council in the first place

.....he who pays the piper calls the tune they say. And because we get a lot of our money from the higher education funding council we have to take a lot of notice of what they want, otherwise we won't get so much money next year.

.....you could be accountable to government or to parliament **if** things went badly wrong. You might be summoned to appear before a parliamentary committee and cross-examined about what you're doing.

Mrs. Thomas (Lay Governor) - LOOE 2 LAY:

INT: Who would you say the governing body is accountable to?

RES: Well I suppose ultimately to the students and the whole set up here, the organisation. We are in a sense.....it's quite frightening.....held responsible if things go wrong. So we are accountable as to how things go.

INT: Is the governing body in anyway accountable for anything at all?

RES: Well I suppose you are if you're using their money.

INT: But how is that accountability done?

RES: How is it done? Well I think they only step in when something is going wrong. Don't they? That's the norm. Isn't it. In life as soon as things go wrong they want to know why you're doing something wrong.

Comment [G.M1]: ASH, ATP

Comment [G.M2]: This means that there is no formal forum to render account of stewardship like in companies. E.g. Annual Meetings of Univ Courts/ Congregations.

Comment [G.M3]: AFB

Comment [G.M4]: HFC; HAF

Comment [G.M5]: ACS

Comment [G.M6]: HAG

Comment [G.M7]: AST; ASF

Comment [G.M8]: EAF

Comment [G.M9]: HAG

CODES USED FOR ACCOUNTABILITY

THEME: Accountability (ACC)

Sub-Themes: Accountability Role **(ACR),** Accountable to Public **(ATP),** Accountable to Funding Bodies **(AFB),** Accountable to Government **(ATG),** Accountable to Self **(ATS),** Accountable to Stakeholders **(ASH),** Executive Accountability **(EXA),** Held Accountable **(HAC),** Mechanism of Accountability **(MAC),** Held Accountable **(HAC),** Accountability Sanction (ACS), Accountable to Students (AST), Accountable to Staff (ASF), Held Accountable for Good Governance (HAG), Held Accountable for Finance (HAF), Held Accountable by Funding Council (HFC), Element of Account – Finance (EAF), Element of Account – Governance (EAG).

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